

AUDIT & GOVERNANCE COMMITTEE

Minutes of the Audit and Governance Committee Meeting
held on Tuesday 24 May 2016, at 6:00pm
at the Unley Civic Centre - 181 Unley Road Unley

PRESENT:

Mr John Rawson (Presiding Member)
Mr Sean Tu (Independent Member)
Councillor Michael Rabbitt
Councillor Rob Sangster

OFFICERS PRESENT

Mr Peter Tsokas, Chief Executive Officer
Ms Nicola Tinning, Group Manager Business Support and Improvement
Ms Rebecca Wilson, Group Manager Governance
Mr Mike Carey, Manager Finance
Ms Ruth Box, Executive Assistant Corporate Services

REPORT TO COUNCIL:

27 June 2016

COMMITTEE MEETING - ORDER OF BUSINESS

APOLOGIES

Mr Ed Parker (Independent Member)

CONFIRMATION OF MINUTES

MOVED Michael Rabbitt
SECONDED Sean Tu

1. That the minutes of the Audit and Governance Committee meeting, held on Tuesday 1 March 2015, as printed and circulated be taken as read and signed as a correct record.

CARRIED UNANIMOUSLY

BUSINESS ADJOURNED

Nil

DEPUTATIONS / PRESENTATIONS

Nil

ITEM 28 **COINFLICT OF INTEREST**

Nil

ITEM 29 **CORRESPONDENCE**

That the correspondence from:

- Centennial Park Cemetery Authority
 - Audit and Risk Management Committee Minutes – 9 May 2016
 - Audit and Risk Management Committee Minutes – 9 February 2016 (late correspondence)

be noted

VERBAL UPDATE

The Strategic E&E Review is progressing well, quite number of documents have been collated and sent to the selected consultants. They are well through their analysis of Council's strategic and operational planning, as well as a review of financial sustainability. A number of interviews have been scheduled mid-June with a broad cross section of the organisation and a workshop with Executive will occur soon after to verify preliminary findings and themes. This project is on track for a draft report to be received early to mid-July.

ITEM 30 **2016-17 DRAFT ANNUAL BUSINESS PLAN AND BUDGET**

MOVED: Mr Sean Tu

SECONDED: Cr Michael Rabbitt

That:

1. The report be received.
2. The Draft Annual Business Plan, Attachment 1 to Item 30/16 be received.
3. The comments from the Audit and Governance Committee relating to the Draft Annual Business Plan be presented to the Council at the Budget Workshop to be held on 6 June 2016.

Councillor Rob Sangster arrived at 6:15pm during discussion of this item.

CARRIED UNANIMOUSLY

ITEM 31
PROCUREMENT SAVINGS IDENTIFIED

MOVED: Cr Rob Sangster
SECONDED: Cr Michael Rabbitt

That:

1. The report be received.

CARRIED UNANIMOUSLY

ITEM 32
CONFIDENTIALITY MOTION FOR ITEM 33 – CENTENNIAL PARK CEMETERY
AUTHORITY – FUTURE UPKEEP FUND

MOVED: Mr Sean Tu
SECONDED: Cr Michael Rabbitt

That it be recommended that:

1. Pursuant to Section 90(2) and (3)(d) of the Local Government Act 1999 the Committee orders the public be excluded, with the exception of the following:

Mr P Tsokas, Chief Executive Office
Ms N Tinning, Group Manager Business Support and Improvement
Ms Rebecca Wilson, Group Manager Governance
Mr Michael Carey, Manager Finance
Ms R Box, Executive Assistant

on the basis that it will receive and consider the report on Centennial Park Cemetery Authority, and that the Committee is satisfied that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –
 - (i) Could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - (ii) Would, on balance, be contrary to the public interest.

It would be in the best interest of the Committee to consider this matter in confidence

CARRIED UNANIMOUSLY

The doors to the Committee room were closed at 6:43pm

ITEM 33

CONFIDENTIAL ITEM

****CENTENNIAL PARK CEMETERY AUTHORITY – FUTURE UPKEEP FUND**

CARRIED UNANIMOUSLY

ITEM 34

****CONFIDENTIAL MOTION TO REMAIN IN CONFIDENCE ITEM 33 – CENTENNIAL PARK CEMETARY AUTHORITY – FUTURE UPKEEP FUND**

MOVED: Cr Michael Rabbitt

SECONDED: Mr Sean Tu

That it be recommended that:

4. The report be received.

5. Pursuant to Section 91(7) and (3)(d) of the Local Government Act:

2.1 The

☒ Minutes

☒ Report

☒ Attachment 1

remain confidential on the basis that the information contained in this report could prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party, and

2.2 the minutes, report and attachment 1 will be kept confidential until the item is revoked by the Chief Executive Officer.

CARRIED UNANIMOUSLY

The doors to the Committee room were opened at 7:40pm

CLOSURE

The Presiding Member closed the Meeting at 7:40pm.

PROPOSED AGENDA ITEMS FOR NEXT MEETING

Work plan as endorsed - Item 22/15.

MEETING DATES

Tuesday 30 August 2016

Wednesday 12 October 2016

PRESIDING MEMBER DATE

MINUTES
OF THE MEETING OF
THE AUDIT AND RISK MANAGEMENT COMMITTEE
HELD: MONDAY 15TH FEBRUARY 2016
BOARD ROOM

1. OPEN MEETING

The meeting opened at 8.30 am.

PRESENT: Geoff Vogt (Chair) (Independent Member)
Lisa Bishop (Independent Member)
Grant Martinella (Independent)

IN ATTENDANCE: Stephen Hains (Chair of the Board of Management)
(Independent Member)
Janet Miller (Chief Executive Officer)
Eva Salib (Manager Business & Corporate Services)
Andrew Ngo (Mitcham Council)
Michael Carey (Unley Council)
Susan Seymour (Executive Assistant - Minute Taker)

1.1. APOLOGIES Nil

1.2. CONFIRMATION OF PREVIOUS MINUTES

The minutes of the meeting of the Audit and Risk Management Committee held 9th November 2015 were circulated with the agenda.

MOVED L Bishop, SECONDED G Vogt that the minutes of the meeting of the Audit and Risk Management Committee held 9th November 2015 be taken as a true and correct record.

CARRIED

1.3. MATTERS ARISING

1.3.1. SCHEDULE OF OUTSTANDING ITEMS

It was noted that due to a TRIM error, the review of the depreciation on motor vehicles had not been added to the Schedule of Outstanding Items as requested at the November 2015 Audit & Risk Management Committee meeting.

G Martinella joined the meeting at 8.33 am.

The Chair welcomed J Miller (CEO of Centennial Park) to her first Audit & Risk Management Committee (A&RMC) meeting.

It was advised that the Schedule of Outstanding Items had been updated to reflect amended due dates of topics. IT updates had been delayed due to the manager responsible being on paternity leave.

1.4. DECLARATION OF INTEREST

Members of the A&RMC were invited to detail any interest in any agenda items that may impact on their fair and reasonable deliberations.

None were declared.

2. REVIEW OF INVESTMENT

2.1. BUSINESS INVESTMENTS

The Chief Executive Officer (CEO) was invited to share her views on current business investments. The CEO advised that she was waiting for the outcomes of the review of the Future Upkeep Provision prior to considering alternatives to cash deposits.

It was advised that a consultant had been engaged by the owner councils to review the Future Upkeep Provision and a draft report had been prepared. It was believed that Centennial Park had not been approached or consulted at any time during the review. This possible oversight had been brought to the attention of the CEO of Mitcham Council during an introductory meeting with the CEO of Centennial Park on 2nd February 2016. Subsequently, a meeting had been scheduled with the consultant and the Authority on 17th February 2016.

MOVED L Bishop, SECONDED G Martinella:

2.1.1. That the report be received.

CARRIED

3. POLICY REVIEWS

Nil.

4. RISK MANAGEMENT

4.1. BUSINESS RISK ASSESSMENT 2016

The Manager Business & Corporate Services reported that she was half way through updating the Business Risk Assessment (BRA) as all updates had now been received from assessors. An explanation was given of the difficulties encountered in meeting the dead-lines of the risk assessment. It was advised that the Business Risk

Assessment 2016 would be completed in time for the annual independent internal audit. Changes to ControlTrack had allowed for a much broader risk assessment than previously and had enabled the Authority to add non-financial internal risks and controls.

Following the request of the A&RMC to review alternatives to ControlTrack that also met the current government standards for internal audit purposes, IntelligenceBank was to be recommended to the Board of Management as an application to replace ControlTrack. It was advised that the application operated in the Cloud located in Melbourne.

MOVED G Martinella, SECONDED L Bishop:

4.1.1. That the report be received.

CARRIED

4.2. TRADING RESULTS FOR JANUARY 2016

It was questioned why this report was being provided to the A&RMC as although informative it was not technically related to risk management. The CEO and G Vogt were requested to undertake a review of the format of the A&RMC Agenda with consideration to be given to what information should be included. Both observers from the owner Councils advised that they found the information useful.

In response to underperformance in income, the CEO provided a strategy including marketing and proposals to complete the projects.

The Committee requested that future reports of this nature were formatted differently to capture other important information relating to the figures being reported on.

The Committee was informed that Centennial Park had hosted a visit from three team members of the Southern Metropolitan Cemeteries Trust (SMCT), NSW. Feedback received indicated how impressed they were with the operations of Centennial Park and in particular with staff. The visitors shared their training methods and processes which could be considered within Centennial Park's own learning program. The CEO advised that she was considering visiting SMCT NSW, and further advised she was visiting SMCT Victoria in March 2016.

MOVED G Martinella, SECONDED L Bishop:

4.2.1. That the report be received.

CARRIED

4.3. REVIEW OF AGED DEBTORS

CONFIDENTIAL ITEM

The Manager Business & Corporate Services was requested to include an explanatory note on the significant adjustment that had taken place in non-current assets. It was requested that all future significant movements be accompanied by an explanation.

MOVED L Bishop, SECONDED G Martinella:

4.3.1. That the report be received.

- 4.3.2. That the Committee considers that the attachment of this agenda item should not be made public on the grounds that the information contained is of a commercial nature, the disclosure of which would confer a commercial advantage on a third party.

CARRIED

4.4. STATISTICS – TRAFFIC LIGHTS REPORT

The unfavourable results were noted.

The Chair of the Board of Management advised the A&RMC that the Board was looking for a level of analysis and investigation on issues and that it would be useful for a review to take place of information provided within the A&RMC agenda.

MOVED L Bishop, SECONDED G Martinella:

- 4.4.1. That the report be received.

CARRIED

4.5. FUTURE UPKEEP PROVISION REVIEW (A/O - Manager Business & Corporate Services)

The standard report with an additional comment explaining cash relating to inventory was provided to the A&RMC with the agenda.

A separate meeting was to be held with other Board of Management members present and the Chief Executive officer to discuss this matter further following the conclusion of the A&RMC Meeting.

MOVED G Martinella, SECONDED L Bishop:

- 4.5.1. That the report be received.

CARRIED

4.6. WORKERS' COMPENSATION REVIEW

CONFIDENTIAL

The report provided to the A&RMC addressed identified issues pertaining to Centennial Park's mandatory requirements (as stated in the Charter) to act in compliance with the Local Government Association Workers Compensation Scheme (LGAWCS) and the administrative burden that was being imposed on the Authority as a result.

It was agreed that an independent consultant would be engaged to review this matter to include a report on the costs being incurred. A report on findings and a recommendation would be submitted to the Board of Management for consideration.

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MOVED G Martinella, SECONDED L Bishop:

- 4.6.1. That the report be received.**
- 4.6.2. That the Authority engages an external independent consultant to review the compliance regime of the WHS system with a recommendation to the Board to follow.**
- 4.6.3. That the Audit and Risk Management Committee recognises the confidential nature of the information contained within the report and considers that the report and minutes of this item should not be made public.**

CARRIED

5. MATTERS FOR DECISION

5.1. Land Acquisition Policy

The recommendation from the Manager Business & Corporate Services was received favourably and endorsed.

MOVED G Martinella, SECONDED L Bishop:

- 5.1.1. That the report be received.**
- 5.1.2. That the Land Acquisition Policy be discontinued.**

CARRIED

6. OTHER BUSINESS

Nil.

7. NEXT MEETING

The next meeting of the Centennial Park Cemetery Authority Audit and Risk Management Committee is scheduled for 8.30 am Monday 9th May 2016 at Centennial Park Cemetery Authority in the Boardroom, 760 Goodwood Road Pasadena, South Australia 5042.

8. CLOSE OF MEETING

There being no further business the meeting closed at 9.21 am.