



Audit Committee

Minutes

11 November 2016

City of Bunbury
4 Stephen Street
Bunbury WA 6230
Western Australia

Correspondence to:
Post Office Box 21
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Audit Committee Terms of Reference

The duties and responsibilities of the committee will be:

- a) Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits;
 - b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the local government's auditor;
 - c) Develop and recommend to Council:
 - a list of those matters to be audited; and
 - the scope of the audit to be undertaken;
 - d) Recommend to Council the person or persons to be appointed as auditor;
 - e) Develop and recommend to Council a written agreement for the appointment of the external auditor. The agreement is to include:
 - the objectives of the audit;
 - the scope of the audit;
 - a plan of the audit;
 - details of the remuneration and expenses to be paid to the auditor; and
 - the method to be used by the local government to communicate with, and supply information to, the auditor;
 - f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
 - g) Liaise with the CEO to ensure that the local government does everything in its power to:
 - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
 - ensure that audits are conducted successfully and expeditiously;
 - h) Examine the reports of the auditor after receiving a report from the CEO on the matters to:
 - determine if any matters raised require action to be taken by the local government; and
 - ensure that appropriate action is taken in respect of those matters;
 - i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
 - j) Review the scope of the audit plan and program and its effectiveness;
 - k) Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or CEO;
 - l) Review the level of resources allocated to internal audit and the scope of its authority;
 - m) Review reports of internal audits, monitor the implementation of recommendations made by the audit and review the extent to which Council and management reacts to matters raised;
 - n) Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs;
 - o) Review the local government's draft annual financial report, focusing on:
 - accounting policies and practices;
 - changes to accounting policies and practices;
 - the process used in making significant accounting estimates;
 - significant adjustments to the financial report (if any) arising from the audit process;
 - compliance with accounting standards and other reporting requirements; and
 - significant variances from prior years;
 - p) Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;
 - q) Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference;
 - r) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council;
 - s) Review the annual Compliance Audit Return and report to the council the results of that review, and
 - t) Consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the council the results of those reviews.
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Audit Committee Minutes

Members of the public to note that recommendations made by this committee are not final and will be subject to adoption (or otherwise) at a future meeting of the Bunbury City Council.

1. Declaration of Opening

The Presiding Member declared the meeting open at 10_{am}.

2. Disclaimer

Not applicable to this committee.

3. Announcements from the Presiding Member

Cr Miguel welcomed the City's Auditor Mr Michael Hillgrove,

4. Attendances

Committee Members:

Member Name	Representing
Cr. Betty McCleary	City of Bunbury
Cr. Michelle Steck	City of Bunbury
Cr. Jaysen Miguel (Presiding Member)	City of Bunbury
Mr Stephen Foster	Community Member
Mr John Barratt	Community Member

Support Staff/Visitors:

Name	Title
Mr Greg Golinski	Manager Governance
Mrs Vicki Gregg	Team Leader Financial Accounting
Mrs Leanne French	Senior Governance and Risk Officer
Mr Michael Hillgrove	Auditor - Grant Thornton

4.1 Apologies

Mr Andrew Brien, Chief Executive Officer
Mr David Ransom, Manager Finance

4.2 Approved Leave of Absence

Nil

5. Declaration of Interest

IMPORTANT: Committee members to complete a “Disclosure of Interest” form for each item on the agenda in which they wish to disclose a financial/proximity/impartiality interest. They should give the form to the Presiding Member before the meeting commences. After the meeting, the form is to be forwarded to the Administration Services Section for inclusion in the Corporate Financial Disclosures Register.

Nil

6. Public Question Time

Not applicable to this committee.

7. Confirmation of Minutes

Committee Decision: Moved John Barratt Seconded Stephen Foster

The minutes of the Audit Committee Meeting held on 8 August 2016 are confirmed as a true and accurate record.

CARRIED

8. Presentations

Nil

9. Method of Dealing with Agenda Business

Items were dealt with in the order they appeared in the agenda.

10. Reports

10.1 Auditors Report and Annual Financial Statements for the year ending 30 June 2016

Applicant/Proponent:	Internal
Responsible Officer:	David Ransom, Manager Finance
Executive:	Andrew Brien, Chief Executive Officer
Attachments:	Appendix 1: Auditor's Report and Annual Financial Report

Summary

The Auditor's Report and Audited Annual Financial Report of the City of Bunbury for the financial year ending 30 June 2016 are attached at Appendix 1 for the information of the Audit Committee.

Executive Recommendation

That the Audit Committee recommends that Council accept the Auditor's Report and the Audited Annual Financial Report of the City of Bunbury for the financial year ending 30 June 2016.

Background

The City's auditors, Grant Thornton have audited the 2015/16 Annual Financial Report and have provided an Independent Auditor's Report (refer Pages 80-81 in the attached Annual Financial Report) as required under the relevant provisions of the *Local Government Act 1995* (the Act). The Auditor's Report and Annual Financial Report are now presented to the Audit Committee for information.

Furthermore, section 7.12A(2) of the Act requires a local government to meet with its Auditor at least once in every year.

Mr Michael Hillgrove from Grant Thornton is the City's appointed Auditor and will be in attendance to discuss with the Committee any queries arising from the 2015/16 Audit.

Council Policy Compliance

N/A

Legislative Compliance

Section 7.9(1) of the Act requires the auditor to submit a report to the local government by 31 December each year.

Section 7.12A(2) of the Act requires a local government to meet with its Auditor at least once each year.

Officer Comments

Council's management and internal control systems are sound. In addition to being monitored internally on a daily and monthly basis they are also strengthened by an independent assessment each year on the

City's financial management systems and external audit reporting. The independent assessment reviews Council's financial position, financial management practices and compliance with the requirements of the Local Government Act, the Local Government (Financial Management) Regulations, and Accounting Standards.

There are five (5) primary financial statements:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Rate Setting Statement

Statement of Comprehensive Income: The Statement of Comprehensive Income (shown on pages 4 to 6 of the Financial Report) shows the extent to which operating expenditure has exceeded operating revenue during the financial year (i.e. operating deficit).

Key financial figures within the audited Annual Financial Report for the year ended 30 June 2016 include:

	<u>2016</u>	<u>2015</u>
Operating Revenue	\$ 53,107,377	\$ 52,869,639
Operating Expenses	\$ 54,259,375	\$ 53,821,631
Operating Deficit	\$ 1,151,998	\$ 951,992
Net Result	\$ 14,777,771	\$ 4,867,534

For the year ending 30 June 2016, the operating deficit was \$1.1M compared to \$952K in 2014/15, an increase of \$200K. Revenue increased by \$238K and expenditure increased by \$438K.

Operating Revenue - The City received less Operating Grants in 2015/16 (\$2.4M) mainly due to the advance payment of the 2015/16 General Purpose Grants from the Federal Government (\$804K) in 2014/15 and also received a grant from the South West Development Commission (\$1.0M) for the Bunbury Marine Facilities funding. However in 2015/16 the City raised more rates (\$1.5M) and more revenue from Fees and Charges (\$780K) which helped to offset the decrease in Operating Grants.

Operating Expenditure - While Employee Costs were less than the previously year (\$503K) due to vacancies in 2015/16 and Materials and Contract savings (\$584K) reduced expenditure, this was offset by the increase in Depreciation on Non-Current Assets (\$1.2M) in 2015/16.

Net Result - When capital grants (\$18.2M) including \$12.5M of grants received for the Koombana Foreshore Redevelopment and the Loss on Revaluation of Civil Infrastructure (\$1.5M) etc. are included, the Net Result was a surplus of \$14.8M (compared to a surplus of \$4.9M in 2014/15).

The Statement also accounts for the revaluation of non-current assets during the year of \$19.2M resulting in a Total Comprehensive Income for 2015/16 of \$34.0M.

Statement of Financial Position: The Statement of Financial Position (shown on page 7 of the Financial Report) shows the assets and liabilities which make up the community equity as at the 30 June 2016.

Key financial figures within the audited Annual Financial Report for the year ended 30 June 2016 include:

	<u>2016</u>	<u>2015</u>
Current Assets	\$ 41,732,499	\$ 25,471,223
Current Liabilities	\$ 10,302,309	\$ 9,500,592
Current Assets over Current Liabilities	\$ 31,430,190	\$ 15,970,631
Non-Current Assets	\$ 556,611,662	\$ 539,742,227
Non-Current Liabilities	\$ 14,490,165	\$ 16,161,228
Total Equity	\$ 573,551,688	\$ 539,551,630

Council's current assets exceed current liabilities by \$31.4M compared to \$16.0M in 2014/15 mainly due to the increase in Restricted Cash i.e. Cash Backed Reserves and Unspent Grants. This increase together with an increase in the Revaluation Surplus of \$19.2M (from the revaluation of non-current assets), increased the total community equity at 30 June 2016 by \$34.0M to \$573.5M.

Statement of Changes in Equity: The Statement of Changes in Equity (shown on page 8 of the Financial Report) shows the extent to which the community equity has been increased by the net result of the year's activities. For the year ending 30 June 2016, the Community Equity increased from \$539.5M to \$573.5M, an increase of \$34.0M.

Statement of Cash Flows: The Statement of Cash Flows (shown on page 9 of the Financial Report) shows the nature and amount of Council's cash inflows and out flows from all activities. Council's cash held at the end of the reporting period was \$39.0M compared to \$22.8M in 2014/15.

Rate Setting Statement: The Rate Setting Statement (shown on pages 10 and 11 of the Financial Report) shows the amount of rates required to be raised to fund the City's operations during 2015/16. In 2015/16 \$33.9M in rates were raised, an increase of \$1.5M or 4.6% on 2014/15 (i.e. a 3.5% rate increase plus a 1.1% increase in property growth).

<u>Financial Information by Ratio:</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Current Ratio <i>Current Assets as a ratio of Current Liabilities.</i>	1.111	1.418	1.214

(Measure of short term liquidity, i.e. the ability of Council to meet its liabilities when they fall due. A ratio of greater than 1.0 indicates Council has more current assets than current liabilities. Target is > 1.0)

Asset Sustainability Ratio <i>Capital renewal and replacement expenditure as a ratio of depreciation expense.</i>	0.524	0.812	0.423
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(Measures the extent to which assets are being renewed/replaced compared to the amount consumed i.e. depreciation. A ratio of greater than 1.0 indicates that council is investing in asset renewal/replacement greater than current consumption)

Debt Service Cover Ratio <i>Operating Surplus before Interest and Depreciation as a ratio of principal and interest expense for borrowings.</i>	3.287	4.167	2.852
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(Measures Council's ability to service debt out of its uncommitted or general purpose funds available for its operations. The Department of Local Government indicates that a Basic standard is achieved if ≥ 2.0 . An Advanced standard is ≥ 5.0)

Operating Surplus Ratio <i>Operating Revenue minus Operating Expenditure as a ratio of own source operating revenue.</i>	(0.066)	(0.035)	(0.122)
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(A result of lower than zero indicates that the Council has an operating deficit. The Department of Local Government indicates that a Basic standard is achieved if between 0.4 and 0.6)

Own Source Revenue Coverage Ratio <i>Own source operating revenue as a ratio of operating expense.</i>	0.948	0.886	0.861
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(Measures Council's ability to cover operating expenses from own source revenue. The higher the ratio, the more self-reliant the local government is. The Department of Local Government indicates that an Advanced standard is achieved if the ratio is greater than 0.9)

Analysis of Financial and Budget Implications

There are no financial or budget implications for Council to accept the Annual Financial Statements and Auditor's Report.

Community Consultation

An abridged Annual Financial Report will be included in the City's 2015/16 Annual Report.

Outcome of Meeting

Mr Michael Hillgrove provided the Committee with a general overview of the 15/16 audit, and thanked Mr Ransom and his team for their assistance.

The Executive Recommendation was moved Stephen Foster and seconded Cr McCleary and was carried unanimously to become the Committee's recommendation on this matter:

That the Audit Committee recommends that Council accept the Auditor's Report and the Audited Annual Financial Report of the City of Bunbury for the financial year ending 30 June 2016.

10.2 2015/16 Audit Findings Report

Applicant/Proponent:	Internal
Responsible Officer:	David Ransom, Manager Finance
Executive:	Andrew Brien, Chief Executive Officer
Attachments:	Appendix 2: Audit Findings Report

Summary

The purpose of this report is for the Audit Committee to receive the 2015/16 Audit Findings Report prepared by Council’s auditors Grant Thornton, which stems from the 2015/16 financial audit of the City of Bunbury.

Mr Michael Hillgrove from Grant Thornton is the City’s appointed Auditor and will be in attendance to discuss with the Committee any queries arising from the 2015/16 Audit Findings Report.

Executive Recommendation

That the Audit Committee recommend that Council receive the 2015/16 Audit Findings Report as presented.

Background

The Audit Findings Report outlines any management issues identified by the Auditor as part of the 2015/16 financial audit of the City of Bunbury that were not material enough to qualify the overall audit, but relevant enough to be brought to the attention of the Audit Committee.

Council Policy Compliance

N/A

Legislative Compliance

The Audit Findings Report is provided by the City’s Auditor as part of the City’s annual audit report completed under section 7.9(1) of the *Local Government Act 1995*.

Officer Comments

The Audit Findings Report is presented at Appendix 2. The report is self-explanatory and no material misstatement or significant control deficiencies were identified by the City’s auditors.

In the report the auditors have made the following comments:

- We have not become aware of any material irregularities or illegal acts
 - We have not become aware of any material non-compliance with laws and regulations
 - We have been presented with all the necessary books and records and explanations requested of management
 - We have not detected any material deficiencies in the accounting policies disclosed
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- We have not detected any material deficiencies in management's assessment of the going concern assumption
- We have had no material disagreements with management
- National internal independence checks are performed annually

In the area of fraud risk (page 10 of appendix 2), it is stated that the audit procedures did not detect fraud, however also noted that there was an instance of fraud perpetrated throughout the period, albeit the auditors were satisfied that this incident had been addressed and no further pervasive incidences had occurred.

Analysis of Financial and Budget Implications

There are no financial or budget implications arising from the recommendations contained within this report.

Community Consultation

N/A

Outcome of Meeting

The Executive Recommendation was moved Cr McCleary and seconded John Barratt and was carried unanimously to become the Committee's recommendation on this matter:

That the Audit Committee recommend that Council receive the 2015/16 Audit Findings Report as presented.

10.3 Financial Management Systems and Procedures Review

Applicant/Proponent:	Internal
Responsible Officer:	David Ransom, Manager Finance
Executive:	Andrew Brien, Chief Executive Officer
Attachments:	Appendix 3: Financial Management Systems and Procedures Review Report

Summary

The purpose of this report is for the Audit Committee to receive the Financial Management Systems and Procedures Review report, which is undertaken annually by the City's auditors.

Executive Recommendation

That the Audit Committee recommend that Council receive the Financial Management Systems and Procedures Review report as presented, and note that no financial management control weakness were identified.

Background

During May 2016, the City's auditors (Grant Thornton) undertook a financial management systems and procedures review in accordance with Regulation 5(1) of the *Local Government (Financial Management) Regulations 1996*.

The resulting report has now been completed and is presented to the Audit Committee for their information. A copy of the report is at Appendix 3.

Council Policy Compliance

There are no Council policies relating to this report.

Legislative Compliance

Regulation 5(1) of the Local Government (Financial Management) Regulations 1996 outlines the CEO's duties as to financial management.

Officer Comments

The areas that were reviewed as part of the financial management systems and procedures review included:

- Purchases/Payments/Payables
 - Receipts/Receivables/Cash Management
 - Payroll
 - Rates
 - Other Revenue; and
 - Fixed Assets
-

The report as presented at Appendix 3 is self-explanatory, and indicates that no areas of concern or weakness were identified across any of the areas audited.

Analysis of Financial and Budget Implications

Nil

Community Consultation

N/A

Councillor/Officer Consultation

This report is presented for the information of the Audit Committee.

Outcome of Meeting

The Executive Recommendation was moved John Barratt and seconded Stephen Foster and was carried unanimously to become the Committee's recommendation on this matter:

That the Audit Committee recommend that Council receive the Financial Management Systems and Procedures Review report as presented, and note that no financial management control weakness were identified.

10.4 Council Policy – Risk Management

Applicant/Proponent:	Internal
Responsible Officer:	Leanne French, Senior Governance and Risk Officer
Executive:	Andrew Brien, Chief Executive Officer
Attachments:	Appendix 4: Council Policy – Risk Management

Summary

The purpose of this report is for the Audit Committee to note the recent adoption of Council’s policy relating to risk management.

Executive Recommendation

That the Audit Committee notes the adoption by Council of Council Policy Risk Management as presented at Appendix 4.

Background

Council’s current policy relating to risk management was originally adopted by Council on 24 June 2014, following recommendation by the Audit Committee. It was last amended by Council on 12 July 2016 following review by the Policy Review and Development Committee.

At the last meeting of the Audit Committee held 8 August 2016, it was requested by the Committee that an informal workshop be held between Committee Members and relevant Officers to discuss the ongoing development and implementation of the City’s risk management processes. This workshop was held on 29 August 2016. It was suggested at the time that the City’s recently revised Risk Management Policy (amended by the Policy Review and Development Committee and Council on 12 July 2016) be formally presented to the Audit Committee for endorsement. This report facilitates this request.

Council Policy Compliance

This report relates to a previously adopted Council Policy.

Legislative Compliance

This policy was developed in the context of Regulation 17 of the *Local Government (Audit) Regulations 1996*.

Officer Comments

As well as being good business practice, having a formal risk management policy in place is a crucial first step in addressing the requirements of Audit Regulation 17(1)(a).

Officers are also soon to finalise the City’s operational risk management framework and guidelines, which will be implemented across the day-to-day activities of the City, as discussed at the workshop on 29 August. The matrix that forms part of the adopted policy is an important component of the development and implementation of a broader framework across the organisation.

Analysis of Financial and Budget Implications

There are no financial or budgetary implications arising from the recommendations of this report.

Community Consultation

Not applicable.

Outcome of Meeting

The Executive Recommendation was moved Cr McCleary and seconded John Barratt and was carried unanimously to become the Committee's recommendation on this matter:

That the Audit Committee notes the adoption by Council of Council Policy Risk Management as presented at Appendix 4.

10.5 Audit Regulation 17 Review

Applicant/Proponent:	Internal
Author:	Leanne French, Senior Governance and Risk Officer
Executive:	Andrew, Brien Chief Executive Officer
Attachments:	Appendix 5: Audit Regulation 17 Summary

Summary

The purpose of this report is to provide the Audit Committee with the results of a biennial review regarding the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal controls and legislative compliance (Regulation 17).

Executive Recommendation

That the Audit Committee receive the information as presented.

Background

On 8 February 2013, amendments to the *Local Government (Audit) Regulations 1996* extended the functions of local government Audit Committees. These functions (Regulation 17) require the CEO to review the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal control and legislative compliance every two calendar years, and report the results to the Audit Committee.

The initial report was required to be presented to the Audit Committee by 31 December 2014. The City's compliance with Regulation 17 was achieved via a report presented to the Audit Committee on 30 October 2014. The Audit Committee continues to monitor the City's internal control processes, legislative compliance and risk management on a periodic basis via a report at each meeting of the Committee.

The Local Government Operational Guidelines provide a comprehensive list of issues to be included in any review of risk management, internal control and legislative compliance, and these were used as a guide to systematically conduct the biennial review.

The information provided in the review is an ongoing assessment of the City's current practices, outlining the appropriateness and effectiveness of those practices, and presented recommendations for improvement.

Council Policy Compliance

The City's Risk Management process is guided by the Council Policy Risk Management. The Executive Management Team recently endorsed two corporate guidelines in relation to internal control and legislative compliance. The Audit Regulation 17 review reinforces the processes outlined in the three documents and details ongoing development and improvement in the areas of risk management, internal control and legislative compliance.

Legislative Compliance

This report relates to Regulation 17 of the *Local Government (Audit) Regulations 1996*, which reads as follows:

17. CEO to review certain systems and procedures

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –
(a) risk management; and
(b) internal control; and
(c) legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

Officer Comments

Regulation 17 requires biennial reporting. In addition to the biennial review officers have provided the Audit Committee with regular updates relating to progress achieved against any issues identified since the initial review in 2014.

Working undertaken to date has implemented a number of remedies for identified issues, and we will continue to build upon this work through a regular process of internal assessment.

Officers recently re-assessed the initial data collated and have provided a refreshed collation of data incorporating any new issues and recommendations identified, as well as updated progress on pre-existing recommendations. New updates are in red. **Appendix 5** provides an updated version of the Audit Regulation 17 Findings.

In summary, 28 areas have been assessed to date, with 66 identified existing controls. The majority of areas audited have substantially effective systems and procedures in place. More specifically, 45 controls have been assessed as being substantially effective, with 11 controls identified as being partially effective and 3 controls largely ineffective. **Appendix 5** outlines recommendations for improvements to increase all identified partially effective and largely ineffective controls to the level of substantially effective.

In late July 2016, the City was one of 12 public authorities who participated in an evaluation of arrangements for managing misconduct and notifying minor misconduct to the Public Sector Commission. In September the City has received draft evaluation advice from the commission and notes their suggested improvements.

In October 2016 the City underwent an Occupational Health and Safety audit conducted by LGIS. This audit evaluated the City's OSH systems against Worksafe Plan assessment criteria. The City will be implementing a number of the recommendations as part of the continuous improvement process and has scheduled another review for 12 months' time to assess the progress.

These timely evaluations and audits continue to build and strengthen the City's controls, particularly in the areas of managing our risks and developing internal controls.

The Audit Committee has previously requested that Officers highlight to Council those issues identified as being “largely ineffective”. These 3 areas (and 4 recommendations) are summarised in the table below, and will be included in a recurring progress report to the Committee. A full overview of all issues is contained within **Appendix 5**.

#	##	Existing Controls	Control Effectiveness	Officer	Improvements	Timeframes for implementation/Review	Comments
1.0 The City's risk management systems are effective, and consider material operating risks appropriately							
	1.1	Risk Management Policy adopted 24 June 2014.	Largely ineffective	Senior Governance & Risk Officer	Complete risk management framework Implement risk management framework and risk assessment within business units	Completed 01/11/16 February 2017	<p>01/11/16 - Nominated departments currently undergoing risk assessment prior to full implementation of program. This is to streamline processes and documentation. Risk Management Training with staff to be implemented in February 2017.</p> <p>29/08/16 - Meeting with Audit Committee to review Risk Management Policy, Framework and guidelines.</p> <p>20/06/16 - draft Framework and Corporate Guidelines completed. Finalisation of templates in process.</p> <p>30/09/15 – A briefing paper was endorsed by ELT.</p> <p>12/07/16 - Amended Risk Management Policy with new matrix approved and adopted by Council Res 232/16.</p> <p>27/04/16 - Draft Framework presented to ELT. Following the finalisation of draft templates - send all document to Managers for feedback and proceed with pilot program.</p> <p>14/04/16 - Draft framework presented to Managers. Request for feedback prior to presentation to ELT on 27 April 2016.</p> <p>11/11/15 - The Working group met and discussed overview and draft implantation plan. Risk tools are currently being developed.</p> <p>23/10/15 – A working group for Risk Management was formed</p>

4.0 Regular risk reports are provided to outline: * Key risks; * Status and effectiveness of the risk management systems; * Identified risks are monitored; * New risks are identified, mitigated and reported							
	4.1	Currently no regular risk reports are provided.	Largely ineffective	Manager Governance/Senior Governance & Risk Officer	Risk Reports will be provided to the Audit Committee	30/12/2016	01/11/16 - Risk Management process currently being finalised. Training to staff to be completed in February 2017. 20/07/16 - draft Framework and Corporate Guidelines completed. Finalisation of templates in process.
10.0 The management of fraud and misconduct is effective, with risks identified, analysed, evaluated, treated and reported							
	10.4	City Fraud Control Plan	Largely ineffective	Manager Finance and Senior Governance and Risk Officer	Develop a City Fraud Control Plan in accordance with the Risk Management Framework	30/06/2016	01/11/16 Controls will be identified and treatment plans implemented if required, as part of City's management of risk. 20/07/16 Waiting on the Risk Framework, guidelines and templates to be endorsed. Revised timeframe in line with the proposed implementation plan for risk management programme.

Outcome of Meeting

The Executive Recommendation was moved Stephen Foster and seconded Cr McCleary and was carried unanimously to become the Committee's recommendation on this matter:

That the Audit Committee receive the information as presented.

11. Motions of Which Previous Notice has been given

Nil

12. Questions from Members

12.1 Response to Previous Questions from Members taken on Notice

Nil

12.2 Questions from Members

Nil

13. Urgent Business

Nil

14. Date of Next Meeting

TBA

15. Close of Meeting

The Presiding Member closed the meeting at 10.20am.
