



# Corporate & Works Committee

**Agenda:** *Corporate & Works Committee*

**Date:** *Monday 2 March 2015*

**Time:** *6.00pm*

### **Outline of Meeting Protocol & Procedure:**

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

### **Recommendation only to the Full Council:**

- Such matters as are specified in Section 377 of the Local Government Act and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters not within the specified functions of the Committee.
- Asset Rationalisation.
- Corporate Operations:-
  - Statutory Reporting;
  - Adoption of Council's Community Strategic Plan, Delivery Program and Operational Plan;
  - Delegations; and
  - Policies.
- Tenders as per Regulation requirements.
- Leases required to be determined by Full Council by specific legislative requirements
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes.

### **Delegated Authority:**

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.  
Note: This not to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Statutory reviews of Council's Delivery Program and Operational Plan;
- Finance Regulations, including:-
  - Authorisation of expenditures within budgetary provisions where not delegated;
  - Quarterly review of Budget Review Statements;
  - Quarterly and other reports on Works and Services provision; and
  - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agenda (and as may be limited by specific Council resolution).
- Confirmation of the Minutes of its Meetings.
- Any other matter falling within the responsibility of the Corporate and Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed above.

### **Committee Membership:**

7 Councillors

### **Quorum:**

The quorum for a Committee meeting is 4 Councillors.

# WOOLLAHRA MUNICIPAL COUNCIL

## Notice of Meeting

26 February 2015

To: Her Worship the Mayor, Councillor Toni Zeltzer ex-officio  
Councillors Deborah Thomas (Chair)  
Anthony Boskovitz  
Peter Cavanagh  
Andrew Petrie  
Matthew Robertson  
Susan Wynne  
Jeff Zulman (Deputy Chair)

Dear Councillors

### **Corporate & Works Committee Meeting – 2 March 2015**

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Corporate and Works Committee** to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 2 March 2015 at 6.00pm.**

Gary James  
General Manager

# **Additional Information Relating to Committee Matters**

**Site Inspection**

**Other Matters**

## Meeting Agenda

<b>Item</b>	<b>Subject</b>	<b>Pages</b>
1	Leave of Absence and Apologies	
2	Late Correspondence Note Council resolution of 27 June 2011 to read late correspondence in conjunction with the relevant Agenda Item	
3	Declarations of Interest	

### **Items to be Decided by this Committee using its Delegated Authority**

D1	Confirmation of Minutes of Meeting held on 16 February 2015	1
D2	Minutes of the Audit & Assurance Committee Meetings of 29 October 2014 & 18 February 2015 – 1225.G	2

### **Items to be Submitted to the Council for Decision with Recommendations from this Committee**

R1	Annual Performance Assessment of the Operations of the Audit & Assurance Committee for the period 1 July 2013 to 29 October 2014 & Adoption of the Revised Audit & Assurance Committee Charter – 1225.G	12
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**Item No:** D1 Delegated to Committee  
**Subject:** **Confirmation of minutes of meeting held on 16 February 2015**  
**Author:** Craig Bennett, Manager – Governance & Council Support  
**File No:** See Council Minutes  
**Reason for Report:** The Minutes of the Meeting of Monday 16 February 2015 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

**Recommendation:**

That the Minutes of the Corporate and Works Committee Meeting of 16 February 2015 be taken as read and confirmed.

Craig Bennett  
Manager – Governance & Council Support

**Item No:** D2 Delegated to Committee  
**Subject:** **Minutes of The Audit & Assurance Committee Meetings of 29 October 2014 and 18 February 2015**  
**Author:** Cheryle Burns - Manager Business Assurance & Risk  
**File No:** 1225.G  
**Reason for Report:** To submit the Minutes of the Audit & Assurance Committee meetings of 29 October 2014 and 18 February 2015.

**Recommendation:**

That the Minutes of the Audit & Assurance Committee meetings of 29 October 2014 and 18 February 2015 be received and noted.

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**Background:**

Council's Audit and Assurance Committee (AAC) met on Wednesday 29 October 2014 and 18 February 2015. The following reports were considered at these meetings:

**29 October 2014 Meeting**

- Internal Audit – Event Management
- Internal Audit – Asset Management and Maintenance
- Audit & Assurance Committee Business Plan Progress report – Presentation on new Audit Management Solution Software

**18 February 2015 Meeting**

- Internal Audit – Management of Trees Assets (both Private and Public)
- Review of Charters and Internal Audit Policy
- Business Plan Progress report – As at 18 February 2015

The minutes of both meetings are submitted as **Annexures 1 & 2** for noting by the Corporate & Works Committee.

**Report:**

The minutes of the 29 October 2014 and 18 February 2015 meetings of the AAC have been circulated to all Committee Members and the Committee Chair has endorsed the minutes as an accurate record of both the proceedings.

In relation to the report on the Review of Charters and Internal Audit Policy considered at the 18 February 2015 Meeting, it is a requirement of Clause 11 (ii) of the Audit & Assurance Committee Charter that the Charter be reviewed every two years by the AAC and that any changes made shall be adopted by Council.

Details of the AAC's review of the Charter are presented in a separate report to the Corporate & Works Committee in conjunction with the Annual Performance Assessment of the Operations of the Audit & Assurance Committee.

Mr John Gordon, the independent Chair of the AAC will be in attendance at the Corporate & Works Committee to address Councillors in relation to the minutes.



Cheryle Burns  
Manager Business Assurance & Risk

Stephen Dunshea  
Director Corporate Services

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**Annexures:**

1. Minutes of the Audit & Assurance Committee meeting held 29 October 2014.
2. Minutes of the Audit & Assurance Committee meeting held 18 February 2015.



**Item No:** R1 Recommendations to Council

**Subject:** **Annual Performance Assessment of the Operations of the Audit & Assurance Committee for the period 1 July 2013 to 29 October 2014 and Adoption of the Revised Audit and Assurance Committee Charter.**

**Author:** Cheryle Burns - Manager Business Assurance & Risk

**File No:** 1225.G

**Reason for Report:** To submit the annual performance assessment report by the Chairperson of the Audit & Assurance Committee on their activities for the period 1 July 2013 to 29 October 2014 and to adopt the revised Audit and Assurance Committee Charter.

**Recommendations:**

- A. That the Audit & Assurance Committee Annual Performance Report for the period ending 29 October 2014 (1 July 2013 to 29 October 2014), including the Independent Chairperson's Report dated December 2014 and provided as ANNEXURE 1 be received and noted.
- B. That Council note the Annual Performance Report conclusion that the Audit & Assurance Committee and its members have fulfilled their responsibilities in accordance with the Committee's Charter for the period 1 July 2013 to 29 October 2014.
- C. That the Revised Audit and Assurance Committee Charter provided as ANNEXURE 2 be adopted.

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**Background:**

The Audit & Assurance Committee (AAC) is an advisory committee of Council, formed by a resolution of Council on 25 July 2011. The AAC operates under the AAC Charter, which was initially adopted by Council on 5 September 2011. The Committee has been in operation since March 2012 and comprises of the following members:

- Mr John Gordon (Chair) Independent Member
- Mr Jason Masters Independent Member
- Cr Peter Cavanagh Council Representative (appointed by the Mayor)

As stated in the AAC Charter under Objective (*Clause 3 of the Charter*), the aim of the Committee is:

*“to ensure that the Council maintains a Business Assurance and Audit Framework that comprises the necessary management systems and processes to achieve long term business sustainability and thus provide confidence to its stakeholders.”*

In accordance with *Clause 10* of the Charter, the Corporate & Works Committee is required to report to Council on the AAC's performance. Clause 10 states as follows:

**10 Performance Assessment of the Committee and its members**

*“An annual performance review of the Committee will be undertaken by the Corporate & Works Committee with a report to Council on its findings.*

*An evaluation of individual audit committee members will be conducted annually by the Chair of the AAC as part of the Corporate & Works review process. A self assessment questionnaire will be used to assist with the evaluation of a member's performance and contribution to the AAC. The results of the performance assessments should be **reported to Council** through the Corporate & Works Committee."*

In accordance with *Clause 11* of the Charter, the Corporate & Works Committee is required to report to Council on the *Review of the Audit and Assurance Charter*. *Clause 11* states the following:

#### **11 Review of the Audit & Assurance Committee Charter**

- i) "At least once every two years the AAC will review its Charter to ensure it remains current and reflects the Committee's role and objectives.*
- ii) The Council is required to approve any changes recommended to this Audit & Assurance Committee Charter as and when required."*

This report present the Audit & Assurance Committee Annual Performance Report, including the Independent Chairperson's Report and recommends to Council the adoption of a revised Audit and Assurance Committee Charter following a review undertaken by the AAC.

#### **Report:**

In satisfying *Clause 10* above, the Committee should note the following achievements of the AAC over the past 15 months:

- The AAC members were provided with periodic briefings on Council operations and developments.
- The Committee received briefing updates on Council's internal risk management practices and the status of implementation of organisational wide Business Assurance and Risk Management Frameworks.
- Reviewed progress on the Strategic Internal Audit plan for 2012-2015 and endorsed the Annual Audit Plan for 2014-2015 submitted by the Manager Business Assurance & Risk and Internal Auditor.
- Reviewed and endorsed the AAC Business Plan, which was prepared by the Manager Business Assurance & Risk.
- Reviewed the Financial Statements for the year ended 30 June 2013 and received a briefing from Council's Chief Financial Officer (CFO), Director of Corporate Services (DCS) and the External Auditor. The Committee commented on the high quality of the Financial Statements and endorsed the Statements for adoption by Council.
- Reviewed the Financial Statements for the year ended 30 June 2014 and received a briefing from Council's CFO, DCS and the External Auditor. Again, the Committee noted the high quality of the Financial Statements and endorsed the Statements for adoption by Council.
- Held independent "in camera" discussions with Council's Contract Internal Auditor and External Auditors separately and in the absence of management to allow full and frank feedback.
- Reviewed reporting structures and risk ratings.
- Reviewed Internal Audit methodology in relation to:
  - Internal Audit planning/risk assessment.
  - How an Internal Audit is conducted through use of experienced contractors.
- The AAC Chair attended Corporate & Works meetings following AAC meetings to answer questions on the Committee's operations and minutes from meetings.
- Received the Public Interests Disclosures Reports for the years ending 30 June 2013 and 30 June 2014.

- Received a Code of Conduct briefing for Committee Members.
- Considered and commented on the following Internal Audit Reports:
  - Inspection, Approval & Monitoring of Certification Processes;
  - Budgeting and Financial management processes;
  - Work Health & Safety;
  - Rates Revenue;
  - Follow-up Fraud & Corruption Review;
  - Follow-up of 2012 & 2013 Internal Audit Recommendations;
  - Financial & Administrative Health Check;
  - Management of Property, Leases and Licences;
  - Event Management;
  - Asset Management & Maintenance.

To further assist the Corporate & Works Committee in reviewing the performance of the AAC, the AAC Chairperson's Report dated December 2014 on the performance of the AAC and its members for the period from 1 July 2013 to 29 October 2014 is provided as **ANNEXURE 1** to this report.

It is particularly pleasing to note the comments in Mr Gordon's report that from his experience of other Local Government entities that he ranks Woollahra Council as a leader in the way it has embraced risk management and supported this with a professional Internal Audit Function.

Having considered the AAC's achievements outlined above and the detailed report from the Chairperson it is considered that the AAC has fulfilled its responsibilities in accordance with their Charter for the period 1 July 2013 to 29 October 2014.

As reported separately to the Corporate & Works Committee through the tabling of the AAC Minutes, the AAC reviewed the Audit and Assurance Committee Charter (Charter) as required by clause 11 (i) of the Charter at their meeting held on 18 February 2015. The review resulted in a number of changes considered to be minor wording changes for the purpose of clarity.

The Revised Charter is provided as **ANNEXURE 2** to this report and is now presented for adoption by Council.

Mr Gordon, Chairperson of AAC, will be in attendance at the Corporate & Works Committee meeting to address Councillors in relation to the Committee's activities, his Chairperson's Report and the Revised Charter.

### **Conclusion:**

The AAC is an integral component of Council's Business Assurance Framework. Committee Members have demonstrated an excellent understanding of both Local Governments' and Woollahra Municipal Council's approach to assuring business operations. This is evident in the Committee's deliberations and achievements outlined in this report and the AAC's Chairperson's Report.

The purpose of this report has been to present the Corporate & Works Committee with information to enable it to make a recommendation to the Council in respect of the performance of the AAC and its members for the period ended 29 October 2014 and to recommend to Council the adoption of the Revised Audit & Assurance Committee Charter. In this regard, it is considered that that the AAC and its members have fulfilled their responsibilities in accordance with the Committee's Charter for the period 1 July 2013 to 29 October 2014.



Cheryle Burns  
Manager Business Assurance & Risk

Stephen Dunshea  
Director Corporate Services

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**Annexures:**

1. Operations of the Audit & Assurance Committee Report by Chairperson
2. Revised Audit & Assurance Committee Charter

**Political Donations – matters to be considered by Councillors at Meetings**

