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# minutes

## Audit Committee

MEETING HELD ON **WEDNESDAY, 4 MAY 2011**

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## CITY OF JOONDALUP

### MINUTES OF THE AUDIT COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON WEDNESDAY, 4 MAY 2011

#### ATTENDANCE

##### Committee Members:

Cr Tom McLean	<i>Presiding Person</i>
Mr Robert (Andy) Cowin	<i>Deputy Presiding Person</i>
Mayor Troy Pickard	
Cr Geoff Amphlett, JP	
Cr Christine Hamilton-Prime	
Cr Fiona Diaz	

##### Observer:

Cr Russ Fishwick

##### Officers:

Mr Garry Hunt	Chief Executive Officer
Mr Mike Tidy	Director Corporate Services
Mr Peter McGuckin	Internal Auditor
Mrs Lesley Taylor	Governance Officer

#### DECLARATION OF OPENING

The Presiding Person declared the meeting open at 7.00 pm.

#### APOLOGIES/LEAVE OF ABSENCE

Apology: Cr John Chester

##### Leave of Absence previously approved

Cr Mike Norman	7 to 14 May 2011 inclusive;
Cr Geoff Amphlett	11 to 18 May 2011 inclusive;
Cr Russ Fishwick	11 May to 7 June 2011 inclusive;
Cr Mike Norman	30 May 2011 to 11 June 2011 inclusive;
Cr Liam Gobbert	24 June to 18 July 2011 inclusive.

**CONFIRMATION OF MINUTES****MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 9 MARCH 2011**

**MOVED** Cr Amphlett, **SECONDED** Cr Hamilton-Prime that the minutes of the meeting of the Audit Committee held on 9 March 2011 be confirmed as a true and correct record.

**The Motion was Put and**

**CARRIED (6/0)**

**In favour of the Motion:** Crs McLean, Amphlett, Diaz, Hamilton-Prime, Mayor Pickard and Mr Cowin

**ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION**

Nil.

**DECLARATIONS OF INTEREST****Disclosure of Financial Interests**

Nil.

**Disclosure of interest affecting impartiality**

*Elected Members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.*

<b>Name/Position</b>	<b>Mr Garry Hunt, Chief Executive Officer</b>
<b>Item No/Subject</b>	Item 2 - CEO Quarterly Credit Card Expenditure for the quarter ended 31 March 2011
<b>Nature of interest</b>	Interest that may affect impartiality
<b>Extent of Interest</b>	The CEO is the card holder

**IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS**

Nil.

**PETITIONS AND DEPUTATIONS**

Nil.

**REPORTS**

## ITEM 1 INTERNAL AUDIT ACTIVITY REPORT

**WARD:** All

**RESPONSIBLE:** Mr Garry Hunt, Chief Executive Officer

**FILE NUMBER:** 89528

**ATTACHMENTS:** Attachment 1 Audit Plan 2010/11  
Attachment 2 Internal Audit Activity 2010/11

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### PURPOSE

This report is to provide an update to the Audit Committee on the areas of Internal Audit activity to date during 2010/11.

### EXECUTIVE SUMMARY

To minimise risk within the City an annual Internal Audit Plan is developed. The plan sets out a program of internal audits to guide the work of the Internal Auditor which also allows for unspecified requests from management or the Chief Executive Officer and specialist advice and investigations. The audit plan is subject to change during the year on the authorisation of the Chief Executive Officer.

*It is recommended that the Audit Committee NOTES the Internal Audit activity to date for 2010/11 forming Attachment 2 to this Report.*

### BACKGROUND

Part 7 of the *Local Government Act 1995* sets out the requirements in relation to the conduct of audits of local governments. This includes provisions for the establishment of regulations in relation to the conduct of audits and these are in turn set out in the *Local Government (Audit) Regulations 1996*.

### DETAILS

The annual Audit Plan sets out the program for implementation during 2010/11 by the City's Internal Auditor. The plan is established in consultation between the Chief Executive Officer and the Internal Auditor and concentrates on areas that present risks to the City's operations. The Internal Audit Plan is relied upon by the External Auditors as part of their audit.

### Issues and options considered:

Not Applicable.

**Legislation/Strategic Plan/Policy Implications**

**Legislation** Part 7 of the Local Government Act 1995 and the Local Government (Audit) Regulations 1996.

**Strategic Plan**

**Key Focus Area:** Leadership and Governance

**Objective:** 1.1 To ensure that the processes of local governance are carried out in a manner that is ethical, transparent and accountable.

**Policy**

Not Applicable.

**Risk Management considerations:**

Internal Audit activity is an important element of risk management and a contributor to the mitigation of risk.

**Financial/Budget Implications:**

Not Applicable.

**Regional Significance:**

Not Applicable.

**Sustainability Implications:**

Not Applicable.

**Consultation:**

Not Applicable.

**COMMENT**

Internal audit activity during the year to date has focussed on significant areas of risk including financial and non-financial control systems and compliance with legislation, regulations, policies and best practice. Where applicable, action plans are developed for agreed recommendations and follow-ups conducted to ensure they are implemented by management. Criteria has been established to report on the status of implementation of each recommendation and to determine the overall status of the internal audit.

**VOTING REQUIREMENTS**

Simple Majority

**MOVED** Cr Amphlett, **SECONDED** Mr Cowin that the Audit Committee **NOTES** the Internal Audit Activity to date for 2010/11 forming Attachment 2 to this Report.

**The Motion was Put and**

**CARRIED (6/0)**

**In favour of the Motion:** Crs McLean, Amphlett, Diaz, Hamilton-Prime, Mayor Pickard and Mr Cowin

*Appendix 1 refers*

*To access this attachment on electronic document, click here: [Attach1agnAudit040511.pdf](#)*

**ITEM 2                      CEO        QUARTERLY        CREDIT        CARD  
EXPENDITURE FOR THE QUARTER ENDED  
31 MARCH 2011**

**WARD:** All

**RESPONSIBLE:** Mr Mike Tidy, Director Corporate Services

**FILE NUMBER:** 09882, 101515

**ATTACHMENTS:** Attachment 1 CEO's Credit Card Expenditure – Quarter Ended 31 March 2011.

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**PURPOSE**

The purpose of this report is to provide the Audit Committee with details of the corporate credit card usage of the Chief Executive Officer (CEO) for the quarter ended 31 March 2011.

**EXECUTIVE SUMMARY**

The report of the CEO's credit card usage for the quarter ended 31 March 2011 is detailed in Attachment 1.

*It is recommended that the Audit Committee NOTES the report on the corporate credit card usage of the Chief Executive Officer for the quarter ended 31 March 2011.*

## **BACKGROUND**

At its meeting held on 11 October 2005, Council inter alia resolved that a quarterly report on the corporate credit card usage of the CEO be prepared and presented to the Audit Committee – CJ210-10/05 refers.

## **DETAILS**

All credit card payments made by the CEO for the quarter, including bank fees, are detailed in Attachment 1.

### **Issues and options considered:**

Not Applicable.

### **Legislation/Strategic Plan/Policy Implications**

**Legislation** Regulation 11(1) of the Local Government (Financial Management) Regulations 1996 requires a local government to develop procedures for the authorisation and payment of accounts to ensure that there is effective security for, and properly authorised use of credit cards.

### **Strategic Plan**

**Key Focus Area:** Leadership and Governance.

**Objective:** 1.1 to ensure that the processes of local governance are carried out in a manner that is ethical, transparent and accountable.

### **Policy**

Not Applicable.

### **Risk Management considerations:**

In accordance with the City's Use of Corporate Credit Cards Protocol, the CEO's credit card has a maximum limit of \$10,000. All expenditure incurred by the CEO by way of credit card is authorised by the Director Corporate Services. It is also a requirement, by resolution of Council, that the CEO's credit card expenditure is reviewed by the Audit Committee on a quarterly basis. The procedure additionally covers matters such as the issue and return of credit cards, lost or stolen cards, what purchases can be made by credit cards, documentation requirements and management review.

### **Financial/Budget Implications:**

Expenditures paid for by the corporate credit card assigned to the CEO are incurred under the approved budget.



**Regional Significance:**

Not Applicable.

**Sustainability Implications:**

By ensuring that expenditure is incurred in accordance with procedures and within budget parameters, financial viability and sustainability is maintained.

**Consultation:**

Not Applicable.

**COMMENT**

The CEO's credit card usage is in accordance with the Use of Corporate Credit Cards Protocol and the Contract of Employment of the CEO, with all expenditure being business related and authorised by the Director Corporate Services.

**VOTING REQUIREMENTS**

Simple Majority

**MOVED** Cr Hamilton-Prime, **SECONDED** Cr Diaz that the Audit Committee **NOTES** the Report on the corporate credit card usage of the Chief Executive Officer for the quarter ended 31 March 2011.

**The Motion was Put and**

**CARRIED (6/0)**

**In favour of the Motion:** Crs McLean, Amphlett, Diaz, Hamilton-Prime, Mayor Pickard and Mr Cowin

*Appendix 2 refers*

*To access this attachment on electronic document, click here: [Attach2agnAudit040511.pdf](#)*

**MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION**

Nil

**CLOSURE**

There being no further business, the Presiding Person declared the Meeting closed at 7.37 pm ; the following Members being present at that time:

Cr T McLean  
Mr R Cowin  
Mayor T Pickard  
Cr G Amphlett  
Cr F Diaz  
Cr C Hamilton-Prime