

# CENTRAL TABLELANDS STRATEGIC ALLIANCE INTERNAL AUDIT COMMITTEE

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**Committee Members Present:** Councillor Grahame Danaher, Lithgow City Council (in the chair); Councillor Esme Martens, Mid-Western Regional Council.

Councillor Wayne Marshall, (alternate delegate) Lithgow City Council.

**Observers Present:** General Manager, Oberon Council, Ms Leanne Mash; General Manager, Lithgow City Council, Mr Roger Bailey; Director of Corporate Services, Oberon Council, Mr John Chapman; Lithgow City Council, Ms Carol Farnsworth; Manager Governance, Mid-Western Regional Council, Mr Ian Roberts and Mid-Western Regional Council, Clare Phelan, Mr Steve Kent, IAB Services; Mr George Gulyas, IAB Services;

## 1. APOLOGIES

Apologies were received and noted from Oberon Mayor, Keith Sullivan.

## 2. CONFIRMATION OF MINUTES

Minutes of the Internal Audit Committee Meeting held on 4 November 2010 were received and accepted. (Martens/Danaher)

## 3. BUSINESS ARISING FROM THE PREVIOUS MEETING

Nil

## 4. REVIEW OF CONSOLIDATED PROCUREMENT AUDIT

Discussion was held regarding both the individual and consolidated reports provided to Councils following the Procurement Audit. Individual Councils are not identified in the consolidated report to protect each Council's information.

Following receipt of the individual reports each Council has an opportunity to review the findings and confirm or question the report. The final reports are then prepared and distributed for adoption.

Steve Kent from IAB advised that an action plan should be put in place for each of the findings in the report.

Councillor Danahar asked if it is necessary to include an action plan for items with a low to medium risk score. Steve Kent responded advising that high risk items should be addressed first.

Delegations were then discussed and Councillor Danahar asked why delegations had not been outlined as an issue to review. Why is this not seen as a high priority area? Councillor Martens also agreed with the Chair's comments.

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IAB advised that delegations are just one part of the procurement process and the focus of the audit was on allocation of funds and procurement processes. Delegations were addressed but could be the focus of a targeted review in future if this was seen as a requirement.

Each Council felt there was no justification for the appointment of a Procurement Officer as recommended in the Audit findings.

Steve Kent agreed that it was the role of IAB to highlight risks and look for compensating controls. Each Council will review the reports for their organisation and undertake to ensure they have adequate controls in place.

It was suggested that further clarity around the scope of future audits would be beneficial. IAB is happy to address this.

Recommendations from the Audit are now required to be put into a register. The next time this element is audited the review will look at the previous recommendations and confirm the implementation of actions.

Steve Kent undertook to provide a Table of Contents of a recent Revised Manual of Procurement Guidelines issued by Parramatta Council which may be able to be used as a benchmark.

## 5. DRAFT SCOPE FOR NEXT AUDIT

The scope for the next audit will be Development Applications. This will be carried out by the end of June 2011. Councillor Martens asked that compliance issues and breaches be added to the scoping element for the audit.

Moved: Councillor Martens  
Second: Councillor Danahar

That the audit scope be accepted as presented subject to the inclusion of compliance issues and non-compliance being addressed.

Carried

## 6. GENERAL BUSINESS

Steve Kent circulated a copy of an Audit Committee's Guide to Good Practice handbook, which will further assist Councils to gain a full understanding of the role of the Internal Audit Committee.

Steve Kent also advised that the Alliance Councils may wish to consider Fraud and Corruption, Legislation Compliance, Risk Management and Contract Management/Tendering as subjects for future audits.

IAB are currently assisting another Council with Business Continuity Planning and there may be opportunities to share information with other Councils.

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Councillor Danahar advised that he believed it would be more beneficial for Council to undertake an IT Audit. As a minimum Council's are required to have a Disaster Recovery Plan in place.

## 7. DATE FOR NEXT MEETING

Steve Kent undertook to come back to the committee with a schedule of dates that aligns with the audit schedule. August is suggested as an appropriate date for the next meeting following the completion of the next audit.

This concluded the business and the meeting rose at 3.15pm.

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Councillor Grahame Danahar  
Chairperson