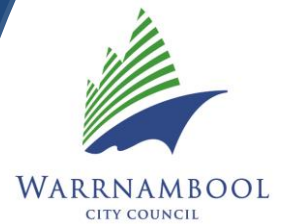


MINUTES

SPECIAL MEETING

WARRNAMBOOL CITY COUNCIL

5.30PM - THURSDAY 22 AUGUST 2019



Due to the approaching Audit & Risk Meeting (27 August 2019), the 7 days notice for a Special Meeting be waived under the Local Government Act 1989, Sect 89(4A).

VENUE:

**Reception Room
25 Liebig Street
Warrnambool**

COUNCILLORS

Cr. Tony Herbert (Mayor)
Cr. Robert Anderson
Cr. Sue Cassidy
Cr. Kylie Gaston
Cr. Peter Hulin
Cr. Michael Neoh
Cr. David Owen

Copies of the Warrnambool City Council's Agendas & Minutes
can be obtained online at www.warrnambool.vic.gov.au

**PETER B. SCHNEIDER
CHIEF EXECUTIVE OFFICER**

AUDIO RECORDING OF COUNCIL MEETINGS

All Open and Special Council Meetings will be audio recorded, with the exception of matters identified as confidential items in the agenda. This includes public participation sections of the meeting. Audio recordings of meetings will be made available for download on the internet via the Council's website by noon the day following the meeting and will be retained and publicly available on the website for 12 months following the meeting date. The recordings will be retained for the term of the current Council, after which time the recordings will be archived and destroyed in accordance with applicable public record standards. By participating in Open and Special Council meetings, individuals consent to the use and disclosure of the information that they share at the meeting (including any personal/sensitive information), for the purposes of Council carrying out its functions.

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MINUTES OF THE ORDINARY MEETING OF THE WARRNAMBOOL CITY COUNCIL HELD IN THE RECEPTION ROOM, WARRNAMBOOL CIVIC CENTRE, 25 LIEBIG STREET, WARRNAMBOOL ON THURSDAY 22 AUGUST 2019 COMMENCING AT 5:35 PM

PRESENT: Cr. Tony Herbert, Mayor/Chairman
Cr. Robert Anderson
Cr. Sue Cassidy
Cr. Kylie Gaston
Cr. Peter Hulin
Cr. Michael Neoh
Cr. David Owen

IN ATTENDANCE: Mr Peter Schneider, Chief Executive Officer
Mr Peter Utri, Director Corporate Strategies
Mr Scott Cavanagh, Director City Infrastructure
Mr Andrew Paton, Director City Growth
Ms. Wendy Clark, Executive Assistant

1. OPENING PRAYER

Almighty God
Grant to this Council
Wisdom, understanding and Sincerity of purpose
For the Good Governance of this City
Amen.

ORIGINAL CUSTODIANS STATEMENT

I wish to acknowledge the traditional owners of the land on which we stand and pay my respects to their Elders past and present.

2. APOLOGIES

Nil.

3. DECLARATION BY COUNCILLORS & OFFICERS OF ANY CONFLICT OF INTEREST IN ANY ITEM ON THE AGENDA

Pursuant to Sections 77, 78 and 79 of the Local Government Act 1989 (as amended) direct and indirect conflict of interest must be declared prior to debate on specific items within the agenda; or in writing to the Chief Executive Officer before the meeting. Declaration of indirect interests must also include the classification of the interest (in circumstances where a Councillor has made a Declaration in writing, the classification of the interest must still be declared at the meeting), i.e.

- (a) direct financial interest
- (b) indirect interest by close association
- (c) indirect interest that is an indirect financial interest
- (d) indirect interest because of conflicting duties
- (e) indirect interest because of receipt of an applicable gift
- (f) indirect interest as a consequence of becoming an interested party
- (g) indirect interest as a result of impact on residential amenity
- (h) conflicting personal interest

A Councillor who has declared a conflict of interest, must leave the meeting and remain outside the room while the matter is being considered, or any vote is taken. Councillors are also encouraged to declare circumstances where there may be a perceived conflict of interest.

4. REPORTS

4.1 ENGAGEMENT OF EXTERNAL AUDITOR

MOVED: CR. CASSIDY
SECONDED: CR. GASTON

1a) That Council, via the Chief Executive Officer and the Manager Governance Projects & Risk, immediately engage an External Auditor to undertake an audit to review and assess the adequacy of:-

- Existing policies, governance, reporting and investigation processes/procedures in the handling of the current credit card misuse issue that was identified in September 2018.

1b) The scope of the audit to include:-

SCOPE

Review the adequacy of Council policies, procedures and processes in relation to:-

- Dealing with expenditure authorisation and delegation;
- Trigger points for reporting (unusual transactions and/or misuse and/or fraud) to the Audit Committee (via confidentiality reports or meetings);
- Trigger points when an external auditor should be brought in (i.e. the period after unusual/misuse has been identified to when possible fraud is suspected);
- Guidelines on “taking face value explanations” vs “appropriate inquiry”;
- Guidelines to ensure there are procedures to mitigate and prevent the acceptance of face value assumptions;
- Adding another layer of probity and transparency by providing trigger points for the use of an external auditor.

1c) Should the External Auditor require clarification of the scope of the audit, as outlined in 1b) then the Auditor shall communicate directly with both Cr Neoh and Cr Cassidy.

2) At the next Audit Meeting (27 August 2019) the appointed External Auditor to meet, in camera with the independent Audit Committee members, Cr. Neoh and Cr. Cassidy to outline the scope (in accordance with resolution 1b).

3) That the External Auditor report directly to the subsequent Audit Committee meeting or earlier if called by the Audit and Risk Chairman.

AMENDMENT

MOVED: CR. NEOH
SECONDED: CR. GASTON

1a) That Council, via the Audit & Risk Committee, immediately (Audit & Risk Committee Meeting of the 27 August 2019) engage an External Auditor to undertake an audit to review and assess the adequacy of:-

- Existing policies, governance, reporting and investigation processes/procedures in the handling of the current credit card misuse issue that was identified in September 2018.

1b) The scope of the audit to include:-

SCOPE

Review the adequacy of Council policies, procedures and processes in relation to:-

- **Dealing with expenditure authorisation and delegation;**
- **Trigger points for reporting (unusual transactions and/or misuse and/or fraud) to the Audit & Risk Committee (via confidentiality reports or meetings);**
- **Trigger points when an auditor should be brought in (i.e. the period after unusual/misuse has been identified to when possible fraud is suspected);**
- **Guidelines on “taking face value explanations” vs “appropriate inquiry”;**
- **Guidelines to ensure there are procedures to mitigate and prevent the acceptance of face value assumptions;**
- **Adding another layer of probity and transparency by providing trigger points for the use of an auditor.**

- 1c) Should the External Auditor require clarification of the scope of the audit, as outlined in 1b) then the Auditor shall communicate directly with Cr Neoh and Cr Cassidy and the Chair of the Audit & Risk Committee.**
- 1d) Once appointed, the External Auditor to meet, in camera with Cr Neoh, Cr Cassidy and the Chair of the Audit & Risk Committee, to outline the scope (in accordance with 1b).**
- 1e) That the External Auditor report directly to the subsequent (post 27 August 2019) Audit & Risk Committee Meeting or early if called by the Audit & Risk Committee Chairman.**

The Amendment was put and CARRIED – 6:1

Crs. Neoh, Gaston, Cassidy, Owen, Herbert & Anderson voting for the motion.

Cr. Hulin voting against the motion.

The Amendment then became the motion and was CARRIED – 6:1

Crs. Neoh, Gaston, Cassidy, Owen, Herbert & Anderson voting for the motion.

Cr. Hulin voting against the motion.

4.2 CEO EXPENSE AUTHORISATION POLICY

MOVED: CR. NEOH
SECONDED: CR. OWEN

That the Manager Governance Projects & Risk to provide a “best practice policy for CEO expenses authorisation” draft for Councillors’ input prior to:

- The policy being reviewed by the Audit & Risk Committee; and then
- Adopted by Council.

CARRIED – 7:0

5. CLOSE OF MEETING

The meeting closed at 6.07pm.

CHAIRMAN