

Meeting	<b>Minutes of Audit Committee</b>					
Date	<b>Monday 19 November 2018</b>	Time	<b>1.15pm (Committee met in committee at 1pm)</b>	Duration:	<b>2.0 hour meeting</b>	Location: <b>Meeting Room 2, Michael Place Leongatha.</b>
Attendees	<p>Dr. AJ (John) Purcell (Chair)  Mr. Homi Burjorjee  Dr. Irene Irvine  Cr Lorraine Brunt (Mayor)  Cr Ray Argento  Mr. Chris Badger (as Observer – Independent Member from 1 December 2018)  <b>Support Staff:</b> Tim Tamlin: CEO, Faith Page: Director Corporate and Community Services, Bryan Sword: Director Development Services, Tracey Lindupp: Manager Finance, Risk and Procurement, Luke Anthony: Coordinator Risk and Procurement and Eve Hollole: Risk Coordinator.  <b>Internal Audit:</b> Richmond, Sinnott and Delahunty (RSD): Nathan Barber, Principal</p>					
Apologies	Cr. Don Hill					
In Committee Section	Committee met In-Committee to consider confidential matters.					
Disclosures of Interest	<p>Dr Irvine as a member of South Gippsland Water Board, Walkerville Foreshore Committee and Walkerville Residents Association.  Dr Purcell as member of Baw Baw Shire, Knox City and Wyndham City Councils' Audit Committees.  Mr Homi Burjorjee as member of City of Casey, Cardinia Shire Council, Ararat Rural City Council, Bass Coast Shire Council and Office of Public Prosecutions Audit Committees.  Committee noted:</p> <ul style="list-style-type: none"> <li>• Dr. John Purcell has ceased to be a member of the Audit Committee for Banyule City; and</li> <li>• Mr. Homi Burjoree will cease to be a member of the Audit Committee for City of Casey, end November 2018.</li> </ul>					
Confirmation of report of previous meeting	<p>Committee approved report of the Audit Committee meeting held on 10 September 2018.  <b>Moved:</b> Mr. Burjoree                      <b>Seconded:</b> Cr. Brunt</p>					
Advise of possible breaches of legislation	Nil					

Agenda Item	Responsible	Comment / Action
<b>1. Financial and Performance Reports</b>		
<b>1.1 Financial Performance Report</b> Financial Performance Report: 1 Jul 18 to 31 Oct 18	Manager Finance Risk and Procurement	Committee noted that report has been postponed and will be distributed offline to Audit Committee Members when it becomes available or at the latest, presented at the March 2019 meeting. <b>Moved:</b> Dr. Irvine <b>Seconded:</b> Mr. Burjoree
<b>1.2 Fiduciary Duty:</b> review any reports concerning material violation or breaches of fiduciary duty.	Manager Finance Risk and Procurement	Committee noted there have been no violations or breaches of fiduciary duty during the 17/18 FY or previous years. <b>Moved:</b> Dr. Irvine <b>Seconded:</b> Mr. Burjoree
<b>1.3 Performance report (non-financial)</b>	Director Corporate and Community Services	Committee noted report not due. <b>Moved:</b> Dr. Irvine <b>Seconded:</b> Mr. Burjoree
<b>1.4 Local Government Performance Reporting (LGPRF)</b>	Director Corporate and Community Services	Committee noted report not due. <b>Moved:</b> Dr. Irvine <b>Seconded:</b> Mr. Burjoree
<b>2. Internal Control System</b>		
<b>2.1 Internal Control System</b> Internal Control System Report	Coordinator Risk & Procurement	Committee discussed and approved report. <b>Moved:</b> Cr. Argento <b>Seconded:</b> Mr. Burjoree
<b>2.2 Policy Review Schedule and Policy Reviews</b> Policy Review Schedule: Top 10 Policy Implementation Report	Coordinator Risk and Procurement	Committee noted that at the 10 September 2018 meeting, the Committee received the Policy Review Schedule and further requested a Top 10 Policy Implementation Report at the 19 November 2018 meeting. The Committee noted that this report has been delayed and will presented to the 12 March 2019 meeting due to resourcing. <b>Moved:</b> Cr. Argento <b>Seconded:</b> Mr. Burjoree
<b>3. Risk Management</b>		
<b>3.1 Strategic Risk Committee (SRC) Minutes</b> Strategic Risk Committee Minutes: 2 October 18 Risk Management Framework Risk Management Policy Strategic Risk Register	Coordinator Risk	Committee discussed and approved reports, recommending that: <ul style="list-style-type: none"> <li>• The role of the Audit Committee in the Risk Management Framework be amended to include monitoring the implementation of recommendations made by Internal and External Auditors; and</li> <li>• The Overall Controls Rating in the Strategic Risk Register be reflected for each risk and an estimate of when controls will be completed is included.</li> </ul> Committee noted that the current members of the Strategic Risk Committee are as follows: <ul style="list-style-type: none"> <li>• Tim Tamlin, CEO;</li> <li>• Faith Page, Director Corporate and Community Services;</li> <li>• Bryan Sword, Director Development Services;</li> </ul>

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		<ul style="list-style-type: none"> <li>• Anthony Seabrook, Director Infrastructure;</li> <li>• Rick Rutjens, Manager Executive Support and Community Information;</li> <li>• Phil Dwyer, Manager People and Culture;</li> <li>• Tracey Lindupp, Manager Finance, Risk and Procurement;</li> <li>• Luke Anthony, Coordinator Risk and Procurement;</li> <li>• Eve Hollole, Risk Coordinator; and</li> <li>• David Smith, Risk Officer.</li> </ul> <p><b>Moved:</b> Cr. Argento                      <b>Seconded:</b> Dr. Irvine</p>
<b>3.2 Quarterly report from a Director / Director</b>	<p>Director Development Services</p> <p>Director Corporate and Community Services</p>	<p>Committee received a verbal report from the Director Development Services on relevant risks from the Strategic Risk Register.</p> <p>Committee received a verbal report from Director Corporate and Community Services on Council's compliance with Victorian Child Safe Standards.</p> <p><b>Moved:</b> Cr. Brunt                      <b>Seconded:</b> Cr. Argento</p>
<b>4. Internal Audit</b>		
<b>4.1 Planned Internal Audits</b> Internal Audit Report Events Management & Coal Creek Internal Audit Scope	Coordinator Risk	<p>Committee discussed and approved reports.</p> <p><b>Moved:</b> Dr. Irvine                      <b>Seconded:</b> Cr. Brunt</p>
<b>4.2 Internal Recommendation Implementation</b>	Coordinator Risk	<p>Committee noted that the update regarding implementation of internal audit recommendations and agreed action plans will be further delayed until the March 2019 meeting.</p> <p><b>Moved:</b> Dr. Irvine                      <b>Seconded:</b> Cr. Brunt</p>
<b>4.3 Internal Audit Plan:</b> set next FY Audit Plan 2019/20 SGSC Potential Audit Projects	Coordinator Risk	<p>Committee noted that the 3 Year Internal Audit Plan will be presented to the March 2019 meeting. Committee further noted that Strategic Risk Committee has considered potential 2019/20 audit projects which will be as follows:</p> <ul style="list-style-type: none"> <li>• Capital Works;</li> <li>• OHS&amp;RTW;</li> <li>• Fraud; and</li> <li>• Service Plans.</li> </ul> <p><b>Moved:</b> Dr. Irvine                      <b>Seconded:</b> Cr. Brunt</p>
<b>4.4 Internal Audit Function Review</b> Annual Surveys	Coordinator Risk	<p>Committee noted that report has been postponed and will be presented at the March 2019 meeting.</p>

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<b>5. External Audit</b>		
<b>5.1 External Audit:</b>	Manager Finance, Risk and Procurement	<p>Committee received a verbal report from the Manager Finance, Risk and Procurement as to how Council values land under roads. Committee received a progress report on Land-fill provisioning to include aftercare costs.</p> <p><b>Moved:</b> Dr. Irvine      <b>Seconded:</b> Cr. Brunt</p>
<b>6. Compliance and ethics</b>		
<b>6.1 Regulatory Updates:</b> keep informed of findings of any examinations by regulatory agencies. Regulatory Reports	Coordinator Risk and Procurement	<p>Committee discussed and approved report, noting that the IBAC report "Corruption and misconduct risks associated with employment practices in the Victorian public sector" dated August 2018 will be reviewed and included in the schedule of reports.</p> <p>Committee recommended that management:</p> <ul style="list-style-type: none"> <li>• Review the Victorian Ombudsman report "Investigation into allegations of improper conduct by officers at Goulburn Murray Water" dated October 2018;</li> <li>• Review the latest reports published by the Local Government Inspectorate to ensure that these have been included in the schedule of reports; and</li> <li>• Consider outsourcing Regulatory Updates to Internal Auditors.</li> </ul> <p><b>Moved:</b> Cr. Argento      <b>Seconded:</b> Mr. Burjoree</p>
<b>7. Reporting responsibilities</b>		
<b>7.1 Audit Committee reports regularly to Council</b>	Coordinator Risk	<p>Committee noted 10 September 18 Minutes were reported to Council at the 24 October 2018 Ordinary Meeting of Council.</p> <p><b>Moved:</b> Dr. Irvine      <b>Seconded:</b> Cr. Brunt</p>
<b>7.2 Audit Communications:</b> monitor that open communication between the internal auditor, external auditor and Council occurs.	Audit Committee	<p>Committee discussed communications between internal auditor, external auditor and Council to ensure open communications.</p> <p><b>Moved:</b> Dr. Irvine      <b>Seconded:</b> Cr. Brunt</p>
<b>7.3 Audit Chair Annual Report to Council</b>	Committee Chair	<p>Committee noted that this report is scheduled for 12 Dec 18 and was provided to the Committee at 10 Sept 18 meeting.</p> <p><b>Moved:</b> Dr. Irvine      <b>Seconded:</b> Cr. Brunt</p>
<b>8. General</b>		

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<b>8.1 Review effectiveness of Secretariat support performance.</b>	Committee	Committee discussed the effectiveness of Secretariat support performance, noting no issues of concern and commended staff on the quality of their performance.
<b>8.2 Committee performance / fees:</b> assess Committee performance and fees for budget consideration.	Coordinator Risk	Committee noted that this report has been postponed and will be presented at the March 2019 meeting. Committee also noted that Independent Member Fees increased by 2% in line with Councillor allowances 1 December 2018, from \$816 to \$832 for Independent Members and from \$1,020 to \$1,040 for Chair per meeting. <b>Moved:</b> Cr. Brunt <b>Seconded:</b> Dr. Irvine
<b>8.3 Recommendation Committee Chair 2019</b>	Committee	Committee recommends that Dr. John Purcell be appointed by Council for a second term as Audit Committee Chair for the next calendar year. <b>Moved:</b> Cr. Brunt <b>Seconded:</b> Dr. Irvine
<b>8.4 Independent Committee Membership</b>	Coordinator Risk	<b>Independent Member Vacancy:</b> Committee noted that at the 24 October 2018 Council Meeting, Council appointed Mr. Chris Badger for an initial three year term commencing 1 December 2018 and endorsed Mr. Badger to attend this meeting as an observer. <b>Dr. Irene Irvine:</b> Committee noted that Dr. Irvine's second and final year term concludes on 30 November 2018. <b>Moved:</b> Cr. Brunt <b>Seconded:</b> Dr. Irvine
<b>8.5 Audit Committee Charter</b>	Coordinator Risk	Committee noted that report has been postponed and will be presented at the March 2019 meeting. <b>Moved:</b> Cr. Brunt <b>Seconded:</b> Dr. Irvine
<b>8.6 Audit Committee Plan for next calendar year</b> Audit Committee Plan 2019	Coordinator Risk	Committee discussed and approved Audit Committee Plan for 2019, noting that those matters which have been delayed for this meeting will be included in the March 2019 agenda. <b>Moved:</b> Cr. Brunt <b>Seconded:</b> Dr. Irvine
<b>9. General Business</b>		
The Mayor thanked and acknowledged Dr. Irvine for her outstanding contribution to the Audit Committee. The CEO provided an update on resourcing in the Risk and Procurement team, noting that while team capacity has been stretched due to current organisational challenges, additional resources have been allocated and there is sufficient oversight at the Executive level to provide assurance that the Internal Control system remained effective.		
<b>10. Close / Next meetings:</b> Tuesday 12 March 2019, Tuesday 11 June 2019, Monday 9 September 2019 and Monday 9 December 2019.		