

Meeting	Minutes of Audit Committee
Date	Tuesday 12 March 2019 Time 1.15pm (Committee met in committee at 1pm) Duration: 2.0 hour meeting Location: Meeting Room 2, Michael Place Leongatha.
Attendees	Dr. AJ (John) Purcell (Chair) Mr. Homi Burjorjee Mr. Chris Badger Cr Don Hill (Mayor) Cr Rosemary Cousin Support Staff: Tim Tamlin: CEO, Faith Page: Director Corporate and Community Services, Bryan Sword: Director Development Services, Anthony Seabrook: Director Infrastructure; Dean Miller: Manager Finance, Risk and Procurement, June Ernst; Coordinator Corporate Planning and Council Business; Nigel Yarranton: Manager Innovation and Technology, Mina Ryad, Coordinator Information Services, Luke Anthony: Coordinator Risk and Procurement and Eve Hollole: Risk Coordinator. Internal Audit: Richmond, Sinnott and Delahunty (RSD): Nathan Barber: Principal. External Audit: Sanchu Chummar: Senior Manager and Joel Christidis: Senior Auditor
Apologies	N/A
In Committee Section	Committee met In-Committee with Internal and External Auditor.
Disclosures of Interest	Dr Purcell as member of Baw Baw Shire, Knox City and Wyndham City Councils' Audit Committees. Mr Homi Burjorjee as member of Knox City Council, Cardinia Shire Council, Ararat Rural City Council, Bass Coast Shire Council and Office of Public Prosecutions Audit Committees. Mr Chris Badger as non – executive director of Gippsland Water, Gippsland Waste and Recovery Group and Stormwater Australia (ceased 7 Dec 19). Chair of Gippsland Waste and Resource Recovery Group and Storm Water Australia Audit and Risk Committees. Member of Wellington Shire Council Audit Committee.
Confirmation of Minutes of previous meeting	Committee noted the Minutes, but did not approve the report of the Audit Committee meeting held on 19 Nov 18 because a quorum of members present at the 19 Nov 18 was not able to be achieved at this March 2019 meeting given the change in Councillor and Independent membership since the 19 Nov 18 meeting.
Advise of known breaches of legislation	Nil advised

Agenda Item	Responsible	Comment / Action
1. Financial and Performance Reports		
1.1 Financial Performance Report Financial Performance Report: Jul 18 to Jan 19	Manager Finance Risk and Procurement	Committee noted the report and recommended the following improvements be made to future reports: <ul style="list-style-type: none"> • A more succinct Executive Summary, including a summary of the Cash Flow Statement; and • Explanations of income and expenditure variances. Committee requested Manager Finance Risk and Procurement to clarify pre-paid income and Appendix 3. Moved: Cr. Hill Seconded: Mr. Burjorjee
1.2 Annual Budget Draft Budget 2019/20	Manager Finance Risk and Procurement	Committee noted but did not approve draft 2019/20 Budget on the basis the final budget will be presented to Council at the end of March 19. Committee recommended that "Operating Expenditure Budget Requests" be further clarified particularly in relation to "Full Year Drafts vs Revised Budgets" and further, that draft dates be included on all versions going forward. Moved: Cr. Cousin Seconded: Mr. Badger
1.3 Performance report (non-financial) and Local Government Performance Reporting Framework: Report - July – Dec 18 LGPRF Half Year Results – July – Dec 18 Financial Performance Measures & Sustainability Capacity Indicators Workforce data Governance and Management Checklist Organisational Performance Report	Coordinator Corporate Planning and Council Business Manager Finance Risk and Procurement	Committee approved the following reports: Report - July – Dec 18 Moved: Cr. Hill Seconded: Mr. Burjorjee LGPRF Half Year Results – July – Dec 18 Moved: Cr. Hill Seconded: Mr. Burjorjee Financial Performance Measures & Sustainability Capacity Indicators Moved: Cr. Hill Seconded: Mr. Burjorjee Workforce data Moved: Cr. Cousin Seconded: Mr. Badger Governance and Management Checklist Moved: Cr. Hill Seconded: Mr. Burjorjee Organisational Performance Report Moved: Cr. Cousin Seconded: Mr. Burjorjee

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		Committee requested Manager Finance Risk and Procurement report back to the Committee regarding the components contained in unrestricted cash as compared to currently liabilities.
2. Internal Control System		
2.1 Policy Review Schedule and Policy Reviews Top 10 Policy Implementation Report Procurement Policy Review (Annual)	Coordinator Risk	Committee approved the following reports: Top 10 Policy Implementation Report. Moved: Cr. Cousin Seconded: Mr. Badger Procurement Policy Moved: Cr. Cousin Seconded: Mr. Burjorjee Committee requested Coordinator Risk to report back to the Committee regarding online training for fraud and corrupt conduct as well as the mentoring options for Councillors.
3. Risk Management		
3.1 Risk Management Systems	Coordinator Risk	Committee noted that the Risk Management Policy and Framework, which was reviewed by the Committee on 19 Nov 18 meeting was adopted by Council at the 27 Feb 19 Meeting. Committee further recommended that internal audits of the Risk Management Framework should be conducted against the current standard ISO 31000:2018.
3.2 Strategic Risk Committee (SRC) Minutes Strategic Risk Committee Minutes: 24 Jan 19	Coordinator Risk	Committee noted and discussed report. Moved: Cr. Cousin Seconded: Mr. Burjorjee
3.3 Quarterly report from a Director / Director	Director Infrastructure	Committee received a report from the Director Infrastructure on relevant risks from the Strategic Risk Register.
4. Internal Audit		
4.1 Planned Internal Audits Internal Audit Report RSD Internal Audit Report Procurement and Tendering Audit Report Domestic Waste Water Management Plan Audit Report Business Continuity Management and Disaster Recovery Audit Report Caravan Parks – Review of Income and Cash Receipting Controls Audit Report	Coordinator Risk	Committee approved the following reports: Internal Audit Report. Moved: Cr. Cousin Seconded: Mr. Burjorjee RSD Internal Audit Report Moved: Cr. Hill Seconded: Mr. Mr. Badger Procurement and Tendering Audit Report Moved: Cr. Hill Seconded: Mr. Mr. Badger

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		<p>Committee requested Manager Finance Risk and Procurement to report back to the Committee as to whether Council withholds tax and to confirm triple bottom line evaluation/assessment (page 144).</p> <p>Domestic Waste Water Management Plan Audit Report Moved: Cr. Cousin Seconded: Mr. Badger</p> <p>Business Continuity Management and Disaster Recovery Audit Report, subject to management ensuring BCP is considered within the context of Municipal Emergency Management Plan. Moved: Cr. Cousin Seconded: Mr. Burjorjee</p> <p>Caravan Parks – Review of Income and Cash Receipting Controls Audit Report Moved: Cr. Cousin Seconded: Mr. Burjorjee</p> <p>Committee recommended that management review the service capabilities of Council staff to meet Council’s obligations under the Public Health and Well Being Act 2008 (Vic).</p> <p>Committee requested Coordinator Risk to report back on whether Council has a Diversity Policy.</p>
4.2 Internal Audit Recommendation Implementation	Coordinator Risk	Committee noted that this report was originally scheduled for Sept 19 and will be rescheduled to June 2019.
4.4 Internal Audit Function Review	Coordinator Risk	Committee noted that this report was originally scheduled for Sept 19 and will be rescheduled to June 2019.
5. External Audit		
5.1 External Auditor proposed audit scope / strategy: Proposed External Audit Scope / Strategy 18/19	VAGO	Committee approved proposed External Audit Scope / Strategy, subject to removing the words “in principle” on pages 245 and 246. Moved: Cr. Hill Seconded: Cr. Cousin
5.2: Other External Accreditations / Audits: MAV Records Management Assessment Summary	Coordinator Information Services	Committee received and discussed report. Moved: Cr. Hill Seconded: Cr. Cousin
6. Compliance and ethics		
6.1 Regulatory Updates: keep informed of findings of any examinations by regulatory agencies. Regulatory Reports	Coordinator Risk and Procurement	Committee postponed this report to the June 19 meeting.

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7. Reporting responsibilities		
7.1 Audit Committee reports regularly to Council	Coordinator Risk	Committee noted that the 19 Nov 18 Minutes were reported to Council at the 27 Feb 19 Ordinary Meeting of Council.
8. General		
8.1 Committee performance: assess Committee performance.	Coordinator Risk	Committee noted that this report has been postponed from the Dec 18 Committee Meeting and will be presented to the June 2019 Meeting.
8.2 Independent Committee Membership	Coordinator Risk	The Committee noted the following inductions of new members: <ul style="list-style-type: none"> • Mr Badger: passed a Police Check and was provided access to Docs On Tap prior to the meeting. Mr. Badger's formal induction has been rescheduled to 26 March. • Councillors Hill and Cousin: were inducted on 19 Feb 19 and both passed Police Checks as required by the Charter.
8.3 Audit Committee Charter and Policy Revised Audit Committee Charter Revised Audit Committee Policy	Coordinator Risk	Committee postponed this report to the June 19 meeting.
9. General Business		
Committee was advised of railway track theft from Coal Creek on 5 March 2019 which has been referred to Victoria Police.		
10. Close / Next meetings: meeting closed at 4.30pm. Next meetings: Tuesday 11 June 2019, Monday 9 September 2019 and Monday 9 December 2019.		