

Meeting	Report of Audit Committee
Date	Monday 12 December 2016 Time 9.30am (Committee met in committee at 9.15am with internal auditor) Duration: 2 hour meeting Location: Meeting Room 2, Council Chambers, Michael Place, Leongatha
Attendees	<p>Dr Irene Irvine (Chair) Dr Craig Nisbet Dr John (AJ) Purcell Cr Ray Argento (Mayor) Cr Lorraine Brunt</p> <p>Support Staff: Tim Tamlin; CEO, Vanessa Adams; Acting Director Corporate and Community Services, Luke Anthony: Coordinator Risk and Procurement and Eve Hollole: Risk Coordinator. Internal Audit: Richmond, Sinnott and Delahunty (RSD): Kathie Teasdale, Audit Partner.</p>
Apologies	
In Committee Section	Committee met with internal auditor (RSD).
Disclosures of Interest	<p>Dr Irvine as a member of South Gippsland Water, Walkerville Foreshore Committee and Walkerville Residents Association. Dr Nisbet as a member of the City Of Glen Eira Audit Committee. Dr Purcell as member of Baw Baw Shire, Bayside City and Banyule City Audit Committees.</p> <p>The three Independent Audit Committee members declared a Conflict of Interest with Item 8.3 which would be noted only.</p>
Confirmation of report of previous meeting	Committee approved report of the Audit Committee meeting held on 12 September 2016.
Advise of possible breaches of legislation/compliance	Committee noted report of non-compliance with s186 Local Government Act.

AGENDA ITEM	Responsible	Comment / Action
1. Financial and Performance Reports		
1.1 Financial Performance Report	Manager Finance	Committee noted July–August 2016 Report: Item D1 Appendix 1 to the 28 September 2016 Council Meeting Agenda.
1.2 Performance report (non-financial)	Director Corporate and Community Services	Committee noted July–September 2016 report: Attachment 4.1.1 to 23 November 2016 Council Meeting Agenda.
1.3 Local Government Performance Reporting Framework	Director Corporate and Corporate Services	Committee noted Jul–Dec 16 report will be available at Apr 17 Meeting.
1.4 Fiduciary Duty: review any reports concerning material violations or breaches of fiduciary duty.	Manager Finance	Committee noted there were no violations or breaches of financial duty during 2016 or in previous years.
2. Internal Control System		
2.1 Policy Reviews	Coordinator Risk and Procurement	Committee provided feedback on revised Fraud and Corruption Policy including shortening the policy by reducing procedural content regarding reporting and managing reports of suspected fraud or corrupt conduct.
3. Risk Management		
3.1 Risk Management Systems	Coordinator Risk	Committee noted the significant work involved in reviewing Council's approach to risk and provided feedback on draft Risk Management Policy / Framework, including enhancing focus on the positive elements of risk (opportunities) and refining Council's Appetite for Risk (University of Edinburgh as a model).
3.2 Risk Profile and Registers	Coordinator Risk	Committee noted revised registers / proposed review dates and discussed key risks including OHS contractor management.
3.3 Strategic Risk Committee (SRC) Minutes	Coordinator Risk	Committee noted SRC minutes from 15 November 2016.
3.4 Quarterly report from a Director / CEO Direct Report	CEO	Committee received report from Tim Tamlin, CEO on key strategic risks.
4. Internal Audit		
4.1 Planned Internal Audits and Function	Coordinator Risk	Committee noted report.
4.2 Internal Audit Plan	Coordinator Risk and Procurement	Committee agreed 3 Year Internal Audit Plan and for Asset Management (Q3 16/17) and Councillor Expenditure and Code Of Conduct Compliance (Q4 16/17) to be the next two audits.
4.3 Audit recommendation implementation	Coordinator Risk and Procurement	Committee noted progress towards completing previous internal audit recommendations.
5. External Audit		
5.1 External Auditor Proposed Audit Scope / Strategy	Manager Finance	Committee noted External Scope / Strategy is due Apr 17.
6. Compliance and ethics		
6.1 Legislative Compliance and Ethics	Coordinator Risk and Procurement	Committee noted the next Compliance and Ethics Report is due Sept 17
6.2 Regulatory updates		and that there were no Regulatory Update reports for this meeting.

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7. Reporting responsibilities		
7.1 Audit Committee reports regularly to Council	Coordinator Risk	Committee noted 12 Sep 16 Minutes reported to Council on 23 Nov 16.
7.2 Audit Chair Annual Report to Council	Committee Chair	Committee noted report is scheduled to be presented on 14 Dec 16.
8. General		
8.1 Establish meeting dates for the forthcoming year	Coordinator Risk and Procurement	Committee endorsed the following 2017 meeting dates starting at 1PM: <ul style="list-style-type: none"> Monday 3 April Monday 5 June Monday 11 September Monday 4 December
8.2 Review Secretariat support performance	Committee / CEO	Committee provided CEO feedback / improvement ideas.
8.3 Committee performance and fees: assessment of the Committees performance and fees for budget consideration.	Coordinator Risk and Procurement	Committee discussed performance report and noted in accordance with the Charter that Independent Member fees will increase by 2.5% in line with Councillor allowances effective 1 Dec 16 from \$405 to \$415 for Independent Members and from \$460 to \$475 for Chair per meeting. The Committee also noted a proposal will be presented to Council in Feb 2017 to consider increasing fees beyond that required by charter.
8.4 Committee chair: consideration / recommendation of Chair for appointment by Council for the next calendar year.	Committee	Committee recommended Council re-appoint Dr. Irvine as Chair (Independent Member) for 2017 at the 22 Feb 17 Council Meeting.
8.5 Independent Committee Membership	Coordinator Risk and Procurement	Committee noted Dr. Nisbet's second and final three year term concluded at this meeting. The Council and Committee thanked Dr. Nisbet for his significant contribution to the Audit Committee. It was also noted recruitment to fill the third Independent Member vacancy was underway with Council scheduled to appoint at the Feb 17 Council Meeting in accordance with the Committee's Charter.
8.6 Audit Committee Charter: review and assess the adequacy of the Charter annually and confirm all charter responsibilities have been carried out.	Coordinator Risk and Procurement	Committee noted the Charter was last reviewed by Council on 16 Dec 15. At this annual review it was recommended to Council to make updates to reflect any fee increases adopted by Council, membership changes and to include content clarifying the Committee's role in recommending an Internal Audit appointment.
8.7 Audit Committee Plan for next calendar year	Coordinator Risk	Committee approved the Audit Committee 2017 Plan.
9. General Business		
10. Close / Next meetings: refer to Item 8.1 above.		