

Meeting	Minutes of Audit Committee					
Date	Monday 18 June 2018	Time	1.15pm (Committee met in committee at 12.30pm)	Duration:	2.0 hour meeting	Location: Meeting Room 2, Michael Place Leongatha.
Attendees	<p>Dr AJ (John) Purcell (Chair) Mr Homi Burjorjee Dr Irene Irvine (via Skype) Cr Lorraine Brunt (Mayor) Cr Ray Argento</p> <p>Support Staff: Tim Tamlin: CEO, Faith Page: Director Corporate and Community Services, Bryan Sword: Director Development Services, Phil Dwyer: Manager People and Culture, Tracey Lindupp, Manager Finance, Risk and Procurement, Luke Anthony: Coordinator Risk and Procurement and Eve Hollole: Acting Coordinator Risk and Procurement. Internal Audit: Richmond, Sinnott and Delahunty (RSD): Kathie Teasdale, Engagement Partner. External Audit: Joel Christidis, Senior Financial Auditor, Victorian Auditor General's Office (VAGO) for Item 5.1.</p>					
Apologies	Cr Don Hill (Observer)					
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, noting that in relation to Item 4.1 Dr. Irvine owns property on Prom Views Estate.</p> <p>Dr Purcell as member of Baw Baw Shire, Banyule City, Knox City and Wyndham City Councils' Audit Committees.</p> <p>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.</p>					
Confirmation of report of previous meeting	<p>Committee approved report of the Audit Committee meeting held on 5 Feb 18.</p> <p>Moved: Cr. Brunt Seconded: Mr. Burjorjee</p>					
Advise of possible breaches of legislation	Discussed in the In – Committee section above.					

Agenda Item	Responsible	Comment / Action
1. Financial and Performance Reports		
1.1 Financial Performance Report Financial Performance Report: Jul 17 – May 18	Manager Finance	Committee discussed and approved the following report: Financial Performance Report: Jul – May 18. Moved: Cr. Brunt Seconded: Dr. Irvine. Action: Director Corporate and Community Services to report to the Committee at the Sept 18 meeting on YTD capital expenditure report. Action: Manager Finance to report to the Committee at the Sept 18 meeting with an explanation for the increase in outstanding rates compared to the same time last year.
1.2 Performance report (non-financial) Performance (non – financial) report: Jul 17–Mar 18	Director Corporate and Community Services	Committee did not discuss the Performance (Non – Financial) Report: Jul-Mar 18 on the basis that this report has already been to Council. Action: Risk Coordinator to distribute Performance Report to the Committee when it becomes available.
1.3 Local Government Performance Reporting (LGPRF) LGPRF Report Jul 17 – Mar 18	Director Corporate and Community Services	Committee discussed and approved the LGPRF Report: Jul – Mar 18. Moved: Cr. Brunt Seconded: Cr. Argento Action: Director Infrastructure to report to the Sept 2018 meeting as to why there been a substantial increase in the per meter cost of sealed road reconstruction.
2. Internal Control System		
2.1 Internal Control System	Coordinator Risk	Committee noted report not due until Nov 18.
3. Risk Management		
3.1 Strategic Risk Committee (SRC) Minutes Strategic Risk Committee Minutes: 3 May 18 Strategic Risk Register	Coordinator Risk	Committee noted and approved reports noting a deterioration in Council Governance and Business and GLGN Regional Procurement risks. Moved: Cr. Argento Seconded: Cr. Brunt
3.2 Quarterly report from a Director / CEO Direct Report CEO/Communications and People and Culture Report	CEO/Manager People & Culture	Committee received a verbal report from the CEO and Manager People and Culture on relevant risks from the Strategic Risk and Operational Risk Registers: Moved: Cr. Brunt Seconded: Dr. Irvine.
3.3 OHS Trends and Annual Leave Balance OHS Trends and Annual Leave Balance Report	Manager People & Culture	Committee discussed and approved report. Moved: Cr. Brunt Seconded: Mr. Burjorjee

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		<p>Action: Manager People and Culture to modify Annual Leave Balances Report to ensure the most recent data is captured and report to the Sept 2018 Audit Committee Meeting.</p> <p>Action: Manager People and Culture to modify OHS Report so that (a) near miss and hazard numbers not causing injury; (b) incidents causing injuries; and (c) work cover claims are reported separately.</p>
4. Internal Audit		
<p>4.1 Planned Internal Audits Internal Audit Report Domestic Waster Water Management Scope Business Continuity and Disaster Recovery Scope</p>	Coordinator Risk	<p>Committee discussed and approved the following reports:</p> <p>Internal Audit Report Moved: Cr. Brunt Seconded: Cr. Argento</p> <p>Domestic Waster Water Management Scope Moved: Cr. Brunt Seconded: Mr. Burjorjee</p> <p>Business Continuity and Disaster Recovery Scope Moved: Cr. Brunt Seconded: Dr. Irvine.</p> <p>Committee noted that IT Penetration Testing was conducted in May and a written test report will be provided to the Sept 18 meeting.</p> <p>Action: RSD to update the title of the Business Continuity and Disaster Recovery Scope to include IT General Controls.</p> <p>Committee received a verbal report on progress to address the recommendations from the Procurement Review Report presented at the 5 Feb 18 meeting. Moved: Dr. Irvine Seconded: Cr. Brunt</p> <p>Committee noted the Payroll and HR Audit Report would be presented to the Sept 2018 meeting.</p>
<p>4.2 Internal Recommendation Implementation: consider status of implementation of internal audit recommendations and agreed action plans.</p>	Coordinator Risk	<p>Committee noted SRC decision to delay the reporting of progress of High and Medium Internal Audit Actions from this meeting until 10 Sept 18 to allow time to data enter and update these actions into a new electronic system (Reliansys) to better facilitate the ongoing quarterly reporting of progress for all High and Medium rated actions.</p>

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4.3 Internal Audit Plan: set next FY audit plan 3 Year Internal Audit Plan	Coordinator Risk	Committee noted the Internal Audit Plan for 2018/19 was set at 5 June 2017 Audit Committee Meeting. Committee further noted that at the 10 Sept 18 Audit Meeting, the SRC will recommend from the list of Additional Projects an Audit Program for 2019/20, including consideration of Council's Community Grants Program which has been added to the list of potential audit projects as requested on 5 Feb 18. Committee discussed the merits of reducing the number of audits per year to 2 or 3 and increasing the depth of each audit. Moved: Dr. Irvine. Seconded: Mr. Burjorjee
4.4 Internal Audit Function Review	Coordinator Risk	Committee noted and supported the recommendation from management to exercise the first and final three year term of the RSD Contract (commencing 1 Jul 19 following conclusion of the initial term on 30 Jun 19) as per the Audit Committee Charter. Moved: Cr. Brunt Seconded: Mr. Burjorjee
5. External Audit		
5.1 VAGO Interim Management Report	VAGO	Committee noted and discussed VAGO Interim Management Report. Moved: Cr. Brunt Seconded: Cr. Argento Action: Director Infrastructure to report back to the Sept 18 meeting as to how Council values land under roads. Action: Land-fill provisioning to include aftercare costs – Committee requested update on progress. Due for completion by June 30 (LGV guidance paper available)
6. Compliance and ethics		
6.1 Legislative Compliance	Coordinator Risk and Procurement	Committee noted IBAC's "Perception of Corruption" survey concluded in June 2016 and on this basis, Council is not able to participate.
6.2 Regulatory Updates: keep informed of findings of any examinations by regulatory agencies. Regulatory Reports	Coordinator Risk and Procurement	Committee noted and approved report noting that the VAGO report "Managing Victoria's Planning System for Land Use/Development" is not required. Moved: Cr. Brunt Seconded: Cr. Argento
7. Policies		
7.1 Policy Reviews Draft Procurement Policy	Coordinator Risk and Procurement	Committee noted and provided feedback on revised Policy. Moved: Dr. Irvine Seconded: Cr. Brunt
8. Reporting responsibilities		
8.1 Audit Committee reports regularly to Council	Coordinator Risk	Committee noted 4 Dec 17 Minutes were reported to Council on 28 Feb 18 and 5 Feb 18 minutes were reported to Council on 26 Apr 18.

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9. General		
9.1 Committee Chair 2018	Committee	Committee noted Council appointed Dr. Purcell as Audit Chair for 2018 at the 28 Feb 18 Council Meeting.
9.2 Independent Committee Membership	Coordinator Risk	Committee noted Dr. Irene Irvine's final three year term concludes on 30 Nov 18. Advertising to fill Dr. Irvine's vacancy will commence in Jul 18 with a view to Council appointing at Sept Council meeting and the new appointment attending first meeting in 2019.
10.3 Audit Committee Charter	Coordinator Risk	Committee noted recommended changes to the Charter were adopted by Council on 26 Apr 18.
9. General Business		
N/A		
10. Close / Next meetings: 10 Sept 2018 and 19 Nov 2018.		