

7.3.1 NOVEMBER AUDIT AND RISK COMMITTEE MEETING MINUTES

Responsible Manager:	Kate Heissenbuttel, Manager Corporate Performance
Responsible Director:	Simone Wickes, Director Corporate Services

RECOMMENDATION

That Council:

1. notes the unconfirmed minutes of the 24 November 2023 Audit and Risk Committee (the Committee); and
2. notes that the minutes will be confirmed by the Chair of the Committee at the next Committee meeting, and any substantive changes to the unconfirmed minutes will be reported to the next Council meeting.

INTRODUCTION

The purpose of this paper is to recommend that Council notes the unconfirmed minutes of the 24 November 2023 Audit and Risk Committee (the Committee) and that the minutes will be confirmed by the Chair of the Committee at the next Committee meeting, and any substantive changes to the unconfirmed minutes will be reported to the next Council meeting.

COUNCIL PLAN STRATEGIC OBJECTIVES

Good Governance

Maintain the highest standards of good governance.

BACKGROUND

The [Audit and Risk Committee](#) is made up of three independent members and two Councillors. There is an [Audit and Risk Committee Charter](#) (Charter) that provides scope to the Committee. The Charter requires that the unconfirmed minutes of each Audit and Risk Committee meeting be reported to Council within two months of the relevant meeting. Receiving the unconfirmed minutes ensures Council receives timely advice and guidance rather than waiting for the Committee to confirm the minutes at its next meeting, which typically is three months later.

DISCUSSION

The Audit and Risk Committee Chair approved the 24 November 2023 Committee minutes on 30 November 2023. They have been shared with all committee members. The unconfirmed minutes of the meeting are attached to this report.

FINANCIAL IMPLICATIONS

There are no financial implications to this report.

POLICY IMPLICATIONS

The Committee operations are governed under Section 4 of Council's Audit and Risk Committee Charter.

CONSULTATION

Community consultation was not required.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a 'policy', 'program' or 'service'.

CONCLUSION

The Audit and Risk Committee recommends that the unconfirmed minutes of its meeting held on 24 November 2023 be noted by Council. The minutes will be confirmed by the Committee at its next meeting with any substantive changes reported to the next Council meeting.

ATTACHMENT LIST

1. 24 November 2023 - Audit and Risk Committee- Meeting Minutes- Final [7.3.1.1 - 11 pages]



AUDIT AND RISK COMMITTEE

24 NOVEMBER 2023

MEETING MINUTES



AUDIT AND RISK COMMITTEE MINUTES

08:00 – 10.30 am Friday 24 November 2023

Function Room (Civic Centre) and via Zoom

1 Opening of Meeting/Procedural

1.1 Apologies

Attendees

Audit and Risk Committee Attendees	
Andrew Dix	Independent Chair
Binda Gokhale	Independent Member (via Zoom)
John Watson	Independent Member
Cnr Tina Samardzija	Audit and Risk Committee Member
Cnr Geoff Lake	Audit and Risk Committee Member (via Zoom and departed at 9.30am)

Other Attendees	
Andi Diamond	Chief Executive Officer
Simone Wickes	Director Corporate Services
Jarrold Doake	Director City Services (departed at 10.00am)
Peter Panagakos	Director City Development (arrived at 9.10am and departed at 9.50am)
Russell Hopkins	Director Community Services (via Zoom, arrived at 8.45am and departed at 9.35am)
Tracy Shoshan	Executive Manager People and Safety (via Zoom, departed at 10.00am)
Kate Heissenbuttel	Manager Corporate Performance
Adil Kahn	Chief Information Officer
Jason Farrugia	Manager Strategic Procurement (arrived at 8.20am and departed at 10.00am)



Other Attendees	
Darcy Logan	Manager Workplace Relations and Safety (departed at 10.00am)
Amanda Sapolu	Manager Governance and Legal (arrived at 8.30am and departed at 10.00am)
Sharon Bahn	Manager Children Youth and Family Services (via Zoom, arrived at 8.55am and departed at 9.35am)
Yanthi Nilam	Manager Finance (arrived at 9.05am)
Phil Mason	Coordinator Management Accounting (departed at 9.20am)
Catherine Chen	Coordinator Business Assurance and Risk Management
Rebecca Freebody	Risk Officer
Michael Choeng	Partner - Internal Auditor - Crowe (via Zoom, arrived at 9.00am and departed at 9.35am)
Andrew Zavitsanos	Partner- Internal Auditor – Crowe (departed at 10.00am)

Apologies

- Danny Wain - Chief Financial Officer
- Beth McIntosh - Safety Lead

On behalf of the Committee, the Chair thanked Danny Wain for his great contribution and support to the Audit and Risk Committee in the past years and extended best wishes to him for his retirement. The Chair also congratulated Simone Wickes on her appointment as Director Corporate Services and extended the warmest welcome to her.

1.2 Disclosure of Conflicts of Interest

None disclosed.

1.3 Confirmation of Minutes (14 September 2023 meeting)

Audit and Risk Committee Resolution

The minutes of the Audit and Risk Committee meeting of 14 September 2023 be accepted.

Moved: Andrew Dix / John Watson. Carried

1.4 Matters Arising



It was noted that all current open actions are either completed in the current meeting or are scheduled for completion at future meetings.

Audit and Risk Committee Resolution

The Committee noted the report.

1.5 CEO Briefing

Andi Diamond, CEO, provided an update to the Committee on several matters including:

- Greater Dandenong legacy landfill;
- Organic collection at Monash and across the state; and
- Staffing demographic and extent of retirements.

Audit and Risk Committee Resolution

The Committee noted the report.

2 Risk Management/Ethical Behaviour

2.1 Risk Update including Strategic Risk Review

Kate Heissenbuttel, Manager Corporate Performance, provided an update on the work undertaken in the risk management space over the last few months. This included the review of strategic risks, review of top operational risks as well as the discussion at the last Risk Management Committee meeting. The Committee were provided an update on the deferment of the scheduled risk appetite workshop with Councillors to February 2024; the rescheduling will impact the timing of review the Council's Enterprise Risk Management and Opportunity Framework.

The Committee discussed the review of any upcoming changes introduced to the local government and how Council deals with these changes individually or collaboratively with the industry to ensure our sustainability.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: The Committee requested management to review the emerging risks with the potential to impact the Council and include a list of 'emerging risks' in the risk paper.

[Officer]: Kate Heissenbuttel/Catherine Chen

2.2 Cyber Security Update (including self assessment VAGO report Cyber Security Computing Product)

Adil Khan, Chief Information Officer, provided the Audit and Risk Committee with an update on Cyber Security including:

- Australian Cyber Security Centre (ACSC) Essential Eight (E8) progress update
- Cyber Security Penetration test findings from June 2023 and its remediation progress
- Cyber Security Strategy Progress Update
- Data Assessment Progress Update.

During the Committee's review, discussions about how Council monitor third party vendor cyber security controls, whether we test recovery from a denied service attack, and how recent Optus incident impact Council's business operation were discussed.

Audit and Risk Committee Resolution

The Committee noted the report.

2.3 OHS Dashboard Review

Darcy Logan, Manager Workplace Relations and Safety, provided the Committee with an insight on Council's Workplace Safety performance for 2022/23 including the reported safety incidents, Workcover injuries and illnesses, and the use of the Employee Assistance Program.

The Committee noted a high number in 'work pressure/verbal' category in the paper and asked for the reason for this increase. In addressing this question, Management advised that high number could be driven by some external factors, availability of data with the new EAP service provider as well as an improved internal reporting culture.

The Committee requested that management compare the reporting of incidents over the past two financial years to conduct a deep dive analysis to understand what drives this increase.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: The Committee requested Management compare the reporting of incidents over the past two financial years and conduct a deep dive to understand what's driven the high number.

[Officer]: Tracy Shoshan/Darcy Logan

2.4 Update on Wage Theft Risk

Darcy Logan, Manager Workplace Relations and Safety, provided an update on the risk of wage theft to the Committee.

The Committee commented that this is an area to remain close focus on and that the enterprise agreement should be applied accurately and with due care.

Audit and Risk Committee Resolution

The Committee noted the report.

3 Internal Audit

3.1 Status of Delivery of 23/24 Internal Audit Annual Plan

Andrew Zavitsanos, Partner at Crowe, provided the Committee with a status update on the current internal audit activities in accordance with the 2023/24 Plan. Crowe advised that Statutory Planning audit is in progress with a final audit report to be made available to March 2024 ARC meeting and the scope for GST Compliance audit is being finalised.

When reviewing the Curious Eyes, the Committee discussed the 'key insights for action' section under Operation Sandon and requested that these key insights should be further incorporated into the self-assessment Operation Sandon report and be considered in future planning reports.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: The Committee requested management to bring an updated self-assessment Operation Sandon report which has incorporated those key insights for actions to the Council meeting for further review.

[Officer]: Jarrod Doake/Amanda Sapolu

[Action]: The Committee requested management to further consider those key insights for actions in the future planning reports.

[Officer]: Peter Panagakos

3.2 Summary of Open Recommendations

Catherine Chen, Coordinator Risk Management and Business Assurance, presented the report to the Committee, highlighting that since the last meeting the total number of open actions items has remained stable (32 this reporting period compared to 31 last period). Additionally, the number of overdue audit actions have reduced from 8 to 6.

Audit and Risk Committee Resolution

The Committee noted the report.

3.3 Commonwealth Child Care Subsidy (CCS) funding / payments review

In September 2023, an internal audit was undertaken to assess the adequacy of various processes and procedures for the management of childcare subsidy funding/payment Review at Brine Street childcare centre.

The audit found that the current controls in place over the management of childcare subsidy can be further strengthened with 3 Medium and 2 Low risk rated findings identified. The details of the findings are in the tabled report.

Audit and Risk Committee Resolution

The Committee noted the report.

3.4 Cyber Security Audit

In October 2023, an internal audit was undertaken to assess the adequacy of various processes and procedures for the management of the IT Cyber Security and Cyber Strategy. The objective of this audit is to assess Council's maturity against the Australian Signals Directorates (ASD) 'Essential Eight' cyber security mitigation strategies. The audit included a culture survey of all staff and Councilors with a valid Council email address.

The audit found that Monash has reached a Level 2 for its maturity level in seven areas under the Essential Eight and a Level 3 for 'regular backup' area.

The Committee was pleased with the audit outcome and acknowledged the great work the team has done in achieving the targeted maturity level in the Essential Eight.

Audit and Risk Committee Resolution

The Committee noted the report.

4 Internal Control Environment

4.1 Fraud and Control Corruption Framework Review

Kate Heissenbuttel, Manager Corporate Performance, provided an update on the recent review undertaken on the Fraud and Corruption Control Framework. A briefing paper summarising the review approach and key changes was tabled and reviewed at the Committee together with a copy of revised Framework.

Audit and Risk Committee Resolution

The Committee noted the report.

4.2 Update on Business Continuity Scenario Training for 2023

Jason Farrugia, Manager Strategic Procurement, provided an update to the Committee on Council's ongoing refresher training delivered to the Business Continuity Team (BCT) which covers crisis management principles and a test crisis scenario.

Audit and Risk Committee Resolution

The Committee noted the report.

5 Executive Briefings

5.1 Update on Councilors Roles and Responsibilities under OHS area

Amanda Sapolu, Manager Governance and Legal, provide an update to the Committee on legal advice obtained about the Occupational and Healthy Safety (OHS) responsibilities of Councillors and Executives.

Audit and Risk Committee Resolution

The Committee noted the report.

6 Integrity Body Reports

6.1 Self assessment on IBAC Operation Sandon

Jarrold Doake, Director City Services, and Peter Panagakos, Director City Development, provided an update to the Committee on self-assessment report against the IBAC Operation Sandon report.

Audit and Risk Committee Resolution

The Committee noted the report.

6.2 Self assessment on IBAC Operation Daintree

Jason Farrugia, Manager Strategic Procurement, provided an update on the self-assessment report against IBAC Operation Daintree report to the Committee which includes an understanding of the potential implications as well as an evaluation of current policies, processes, controls against the recommendations in the report and develop any action plans where required.

There was a discussion about the potential market-led proposal (i.e. the private sector makes an unsolicited approach to Council for support to deliver infrastructure or services through direct negotiation rather than a competitive procurement process). The Committee requested management to clarify any controls or processes with regards to how Council should deal with such approaches.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: The Committee requested the management to clarify the controls and processes with regards to how Council deals with those market-led approach.

[Officer]: Simone Wickes/Jason Farrugia

7 Governance

7.1 ARC six monthly activity report to Council

The Chair presented a report that comprises the six-monthly update on the Committee's activities in relation to the Committee's functions.

Audit and Risk Committee Resolution

The Committee endorsed the report for the Chief Executive Officer to table at the next Council meeting.

Moved: John Watson/Tina Samardzija. Carried.

7.2 ARC self assessment survey results

The Chair provided an update to the Committee on the results of the 2022/23 annual survey on the performance of Audit and Risk Committee. Discussion took place on the observations and learnings from the survey.

Audit and Risk Committee Resolution

The Committee noted the report.

7.3 Identify any confidential items for separate minuting

None disclosed.

8 Other Business

8.1 Internal Audit Tender - Confidential

Kate Heissenbuttel, Manager Corporate Performance, provided an update to the Committee on the upcoming internal audit tender process. The Committee requested Audit and Risk Committee be advised of the progress at March 2024 meeting and asked the management to include qualitative KPIs in addition to those quantitative ones to measure the contractor's performance.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: The Committee requested management to provide an update on the internal audit tender at March 2024 meeting and to include qualitative KPIs in addition to those quantitative ones to measure the contractor's performance.

[Officer]: Kate Heissenbuttel

9 Meeting Schedule

9.1 Confirmed Meeting Schedule for 2024 - 14 March 2024 & 13 June 2024

The following meeting dates were confirmed by members:

- 14 March 2024
- 13 June 2024

10 Meeting Close

The meeting was closed at 10.10am.

Confirmed by Chair (Mr Andrew Dix):

Date: _____

1. ARC Workplan 2023 24 [**11.1.1** - 4 pages]
2. Monash Cyber Security MAP [**11.1.2** - 7 pages]
3. Monash Statutory Planning MAP v Final [**11.1.3** - 6 pages]
4. MINUTES Risk Management Committee Oct 2023 [**11.1.4** - 3 pages]
5. MINUTES Digital Technology Steering Committee Minutes [**11.1.5** - 8 pages]
6. 2023 24 Financial Management and Capital Works Progress Report Jul to Sep 2023 [**11.1.6** - 27 pages]