

### 3.1 AUDIT AND RISK COMMITTEE MINUTES - MARCH 2023 (D23-76950)

Report from: Audit and Risk Committee

#### **RECOMMENDATION**

*That Council:*

- 1. notes the unconfirmed minutes of the 15 March 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 [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 15 March 2023 Committee minutes on 21 March 2023. They have been shared with all committee members. The unconfirmed minutes of the meeting are attached to this report.

#### **POLICY IMPLICATIONS**

The committee operations are governed under Section 3 of Council's [Audit and Risk Committee Charter](#).

#### **CONSULTATION**

As part of its commitment to good governance, Council's Audit and Risk Committee acts as an independent advisory committee to Council, established under Section 53 of the *Local Government Act 2020*. The Audit and Risk Committee Charter requires the Committee meet with Council's Internal and External Auditors in reviewing Council's financial and non-financial reporting as well as risk management.

**SOCIAL IMPLICATIONS**

None noted.

**HUMAN RIGHTS CONSIDERATIONS**

None noted.

**GENDER EQUITY ASSESSMENT**

None noted.

***CONCLUSION***

The Audit and Risk Committee recommends that the unconfirmed minutes of its meeting held on 15 March 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.

## AUDIT AND RISK COMMITTEE MINUTES

8:00 – 10:30am Wednesday 15<sup>th</sup> March 2023

Function room (Civic Centre) and via  
Zoom

<b>Audit and Risk Committee</b>	
Andrew Dix	Independent Chair
Katie Baldwin	Independent Member
John Watson	Independent Member
Mayor Tina Samardzija	Audit and Risk Committee Member
Councillor Geoff Lake	Audit and Risk Committee Member (Via Zoom) – departed 9.00am
Councillor Stuart James	Alternate Audit and Risk Committee Member (Via Zoom)

<b>Other Attendees</b>	
Andi Diamond	Chief Executive Officer (Via Zoom)
Danny Wain	Chief Financial Officer
Russell Hopkins	Director Community Services (Via Zoom) – departed 9.30am
Jarrod Doake	Director City Services
Kate Heissenbuttel	Manager Corporate Performance
Yanthi Nilam	Manager Finance
Paul Grobler	Manager Business Technology – departed 9.00am
Jason Farrugia	Manager Strategic Procurement – departed 9.45am
Sharon Bahn	Manager Children Youth and Family Services (Via Zoom) – departed 9.30am
Fiona Fernandes	Coordinator Corporate Planning
Catherine Chen	Coordinator Risk Management and Business Assurance
Rebecca Freebody	Risk Officer
Michael Gummery	Partner – HLB Mann Judd – External Auditor (Via Zoom) – departed 9.15am
Tania Yeung	Manager – HLB Mann Judd – External Auditor (Via Zoom) – departed 9.15am
Andrew Zavitsanos	Partner - Crowe

### 1 Opening of meeting /procedural

#### 1.1 Apologies

- Mark Peters – Partner – HLB Mann Judd – External Auditor
- Lynda Cooper – Senior Manager – Crowe

#### 1.2 Disclosure of any conflict of interest

None disclosed.

#### 1.3 Confirmation of minutes as circulated, meeting of 25 November 2022

##### Audit and Risk Committee resolution:

The minutes of the Audit and Risk Committee meeting of 25 November 2022 be accepted.

**Moved:** Katie Baldwin / John Watson. Carried.

## 1.4 Matters arising

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

### Action:

The Committee requested the Item 6.1 'Digital Transformation project update' to be considered in the development of 2023-24 annual internal audit plan. [Andrew Zavitsanos - Crowe]

The Committee requested the Minutes from the IT Steering Committee be reported to the ARC and included in the Committee's workplan. [Danny Wain/Paul Grobler]

### Audit and Risk Committee resolution:

The Committee noted the report.

## 1.5 CEO briefing

CEO, Andi Diamond, presented an update to the Committee on several matters including an update on EBA, service delivery impacts, challenging behaviors to council staff and Local Government Inspectorate's investigation in recruitment, and the Commission of Inquiry report of findings at Moira Shire Council.

**Action:** The Committee requested a self-assessment report on the Moira Shire Council's investigation findings to the June ARC meeting. [Tracy Shoshan]

### Audit and Risk Committee resolution:

The Committee noted the paper.

## 2 Risk management / ethical behaviour

### 2.1 Risk update

Kate Heissenbuttel, Manager Corporate Performance, introduced the new Risk Management Team to the Committee and provided an update on the quarter's Strategic Risk updates and work undertaken by the team in the risk management space over the last few months.

### Audit and Risk Committee resolution:

The Committee noted the report.

### 2.2 Strategic Risk Report

Kate Heissenbuttel, Manager Corporate Performance, briefed the Committee on the quarter's strategic risk updates. Kate advised the Committee that a review of Cyber Security risk was underway and an update would be provided at the June ARC meeting.

The Committee discussed the involvement of Councillors in the Risk Management

process and recommended that Management work with them to develop an understanding of the process and their role in the ownership of Councils Strategic Risks and Risk Appetite.

**Action:**

The Committee requested an update on the Cyber Security risk at the June ARC meeting. [Kate Heissenbuttel]

The Committee requested an investigation of potential risks related to Data Privacy to be incorporated into the risk profile. [Kate Heissenbuttel]

The Committee requested the material operating risks to be reviewed and reported to the Committee at the June ARC meeting. [Kate Heissenbuttel]

Audit and Risk Committee resolution:

The Committee noted the report.

**2.3 Cyber Risk update – self assessment ‘Cyber Security Governance Principles’**

Paul Grobler, Manager Business Technology briefed the Committee on the self-assessment on ‘Cyber Security Governance Principles’.

Audit and Risk Committee resolution:

The Committee noted the report.

**3 External audit/External Reporting**

**3.1 HLB Mann Judd External Audit Strategy and plan**

Michael Gummery, Partner, at HLB Mann Judd, provided the Committee with the update on the External Audit Strategy and Plan.

Audit and Risk Committee resolution:

The Committee noted the report.

**4 Internal audit**

**4.1 Status of Delivery of 2022/2023 Internal Audit Plan**

Andrew Zavitsanos, Partner, at Crowe provided the Committee with the status update on the current Internal Audit Activity in accordance with the 2022/23 Plan. Crowe advised that various audits were underway and that the Plan was on track.

**4.2 Summary of open recommendations**

Catherine Chen, Coordinator Risk Management and Business Assurance, presented the report, highlighting that since the last meeting the total number of open actions items has reduced to 30 from 41.

**Action:** The Committee requested a status update on the overdue items under the Occupational Health & Safety Audit at the June ARC meeting if they haven’t been

completed by then. [\[Tracy Shoshan\]](#)

### **4.3 Kindergarten enrolments review (Crowe)**

In January 2023, an internal audit was undertaken of the adequacy of the various processes and procedures surrounding the management of Council's responsibilities in relation to kindergarten enrolments, the provision of facilities and how priority access is managed.

The internal audit identified a range of controls that could be improved to reduce the identified weaknesses and exposures. The report identified 3 Medium and 2 Low rated findings.

**Action:** The Committee requested that management provide an update on Item 4.5 of the Kindergarten Enrolment Audit report at the June ARC meeting. [\[Sharon Bahn\]](#)

*Audit and Risk Committee resolution:*

The Committee noted the report tabled and the management actions outlined in the report.

## **5 Internal Control Environment**

### **5.1 Annual reporting on CEO expenses**

Management provided update on CEO's expenses over the 12 month period from January to December 2022.

*Audit and Risk Committee resolution:*

The Committee noted the report.

### **5.2 ICE Policies Review**

Jason Farrugia, Manager Strategic Procurement, briefed the committee on changes to the Procurement Policy as part of the regular review cycle of the policy. The Committee recommended the considerations of the *Modern Slavery Act 2018* in the Policy.

*Audit and Risk Committee resolution:*

The Committee noted the report.

## **6 Executive Briefings**

### **6.1 Presentation by Senior Officers**

Jarrod Doake, Director City Services provided a presentation on Strategic Risk #3 "Compliance with Legislation, Regulation and Policy".

*Audit and Risk Committee resolution:*

The Committee noted the report.

## **7 Integrity Body Reports**

### **7.1 IBAC survey on perceptions of local government corruption**

Kate Heissenbuttel, Manager Corporate Performance, briefed the Committee on the recent IBAC survey on local government corruption.

*Audit and Risk Committee resolution:*

The Committee noted the report.

## **8 Other business**

### **8.1 Identify any confidential items for separate minuting**

None disclosed.

## **9 Other business**

### **9.1 Recruitment of independent member**

A briefing paper was presented to the Committee on the progress of the recruitment of an independent Member of Audit and Risk Committee following the completion of Katie Baldwin's tenure.

The Committee congratulated Fiona Fernandes on her new role as Corporate Planning Coordinator and expressed their thanks and appreciation for the great job she has performed in supporting this Committee for the past 8 years.

**Action:** The Committee requested that all papers have a one page cover sheet indicating the agenda item covered, title, action required, and key points. [Catherine Chen]

*Audit and Risk Committee resolution:*

The Committee noted the report.

## **10 Meeting schedule**

### **10.1 Confirmed meeting schedule for 2023**

The following meeting dates were confirmed by members:

- 7 March 2023, 8.00 - 10.30 am
- 13 June 2023, 8.00 - 10.30 am
- September 2023(Date TBC), 8.00 - 10.30 am
- 24 November 2023, 8.00 - 10.30 am

### **Documents for noting**

*Audit and Risk Committee resolution:*

The Committee noted the following documents supplied as part of the meeting information:

- ARC Annual Work Plan [Opening of Meeting / Procedural]
- Approval of Review Scopes [Internal Audit]

- Risk Management Committee minutes [Internal Control Environment]
- Fraud and Corruption Prevention Steering Committee minutes
- Quarterly Finance Report [Financial and External Reporting]

## **10.2 Meeting closed at 10:00 AM**

CONFIRMED:

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ANDREW DIX

Chair

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

### **Distribution list:**

1. Audit and Risk Committee
2. Executive Leadership Team
3. Meeting attendees