

### 7.3.1 AUDIT AND RISK COMMITTEE MEETING MINUTES - 14 SEPTEMBER 2023

<b>Responsible Manager:</b>	Kate Heissenbuttel, Manager Corporate Performance
<b>Responsible Director:</b>	Danny Wain, Chief Financial Officer

#### RECOMMENDATION

**That Council:**

- 1. notes the unconfirmed minutes of the 14 September 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.**

#### 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 14 September 2023 Committee minutes on 22 September 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](#).

#### SOCIAL IMPLICATIONS

There are no social implications to this report.

## **CONSULTATION**

Community consultation was not required.

## **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'.

## **FINANCIAL IMPLICATIONS**

There are no financial implications to this report.

## **CONCLUSION**

The Audit and Risk Committee recommends that the unconfirmed minutes of its meeting held on 14 September 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. 14 September 2023 - Audit and Risk Committee Meeting Minutes [7.3.1.1 - 10 pages]



## **AUDIT AND RISK COMMITTEE**

**14 SEPTEMBER 2023**

**MEETING MINUTES**





## AUDIT AND RISK COMMITTEE MINUTES

08:00 – 10.30 am Thursday 14 September 2023

Function Room (Civic Centre) and via Zoom

### 1 Opening of Meeting/Procedural

#### 1.1 Apologies

##### Attendees

Audit & Risk Committee	
Andrew Dix	Independent Chair
Binda Gokhale	Independent Member
John Watson	Independent Member (Via Zoom)
Cr Tina Samardzija	Councillor Member (Mayor)
Other Attendees	
Peter Panagakos	Acting Chief Executive Officer
Danny Wain	Chief Financial Officer
Tracy Shoshan	Executive Manager People & Safety
Kate Heissenbuttel	Manager Corporate Performance
Yanthi Nilam	Manager Finance
Greg Talbot	Manager Community Amenity (Via Zoom) - arrived at 9.30am, departed at 9.40am
Catherine Sherwin	Manager City Planning – arrived at 9.20am, departed at 9.30am
Mark Gibson	Manager Property & City Design (Via Zoom) – arrived at 9.15am, departed at 9.25am
Fiona Fernandes	Coordinator Business Assurance
Catherine Chen	Coordinator Business Assurance and Risk Management
Hirosha De Costa	Coordinator Financial Accounting
Rebecca Freebody	Risk Officer
Andrew Zavitsanos	Partner – Crowe – Internal Auditor
Mark Peters	Partner – HLB Mann Judd – External Auditor (Via Zoom) – arrived at 8.35am, departed at 9.00am
Tania Yeung	Manager – HLB Mann Judd – External Auditor (Via Zoom) – arrived at 8.35am, departed at 9.00am

##### Apologies

- Cr Geoff Lake – Audit and Risk Committee Member
- Russell Hopkins – Director Community Services
- Jarrod Doake – Director City Services
- Ross Evans - Acting Director City Development

### 1.2 Disclosure of Conflicts of Interest

None disclosed

### 1.3 Confirmation of Minutes - 13 June 2023

#### Audit and Risk Committee Resolution

The minutes of the Audit and Risk Committee meeting of 13 June 2023 be accepted.

**Moved:** Andrew Dix / John Watson. Carried

### 1.4 Matters Arising

It was noted that all current open actions are either to be complete 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

Acting CEO, Peter Panagakos presented an update to the Committee on several matters including:

- the legacy landfill;
- the retirement of Chief Financial Officer Danny Wain and the appointment of new Director Corporate Services;
- the year-end performance of capital and operating budget summary;
- Glen Waverley Civic Precinct project;
- IBAC Operation Sandon Report;
- some concerns from Department of Transport and Planning (DTP); and
- VAGO financial management audit

#### Audit and Risk Committee Resolution

The Committee noted the report.

## 2 External Reporting

### 2.1 Annual Financial Statements

Manager Finance, Yanthi Nilam, presented the 2022/23 draft Annual financial Report to the Committee along with explanatory notes as supplementary guidance to Council's 2022/23 Financial Statements providing an insight to:

- the purpose of each element of financial report;
- any material issues that have affected the financial performance of Council; and
- the draft Council report "2022/23 Financial Statement and Performance Statements.

The Committee acknowledged the work by all officers involved and the auditors in bringing the 22/23 year accounts and statements to this very satisfactory conclusion.

Audit and Risk Committee Resolution

The Committee recommends that Council:

1. endorses the draft 2022/23 Annual Financial Statements, subject to resolution of any outstanding audit issues and minor amendments including;
  - Any non-material changes arising from completion of the audit; and
  - Material changes arising from the completion of audit procedures after consulting the Audit and Risk Committee Chair and reporting these to the Council;
2. recommends that Council at its meeting on 26 September 2023, adopts the Annual Financial Statements "in principle";
3. authorises two Councillors to certify the final version of the Annual Financial Statement 2022/23; and
4. authorises Chief Executive Officer to forward the Statements to the Auditor-General for certification.

**[Action]:** The Committee recommended that the wording under the Recommendation #4 in the draft Council report be updated to 'nominates two Councillors to certify the Statements in their final form'.

**[Officer]:** Yanthi Nilam

**2.2 Annual Performance Statement and Governance and Management Checklist**

Fiona Fernandes Coordinator Corporate Planning presented the Committee with the draft 2022/23 Performance Statement and the preliminary recommendation made by the External Auditor.

Audit and Risk Committee Resolution

The Committee recommends that Council:

1. endorses the draft 2022/23 Annual Performance Statements, subject to resolution of any outstanding audit issues and minor amendments including;

- Any non-material changes arising from completion of the audit; and
- Material changes arising from the completion of audit procedures after consulting the Audit and Risk Committee Chair and reporting these to the Council;

2. recommends that Council at its meeting on 26 September 2023, adopts the Annual Performance Statements “in principle”;

3. authorises two Councillors to certify the final version of the Annual Performance Statement 2022/23; and

4. authorises Chief Executive Officer to forward the Statements to the Auditor-General for certification.

### **2.3 Local Government Performance Reporting Framework (LGPRF) 2022/23 report**

Fiona Fernandes Coordinator Corporate Planning presented the Committee with the 2022/23 LGPRF results.

#### Audit and Risk Committee Resolution

The Committee noted the report.

### **2.4 Review Draft “Report on Audit & Risk Committee” statement for Annual Report**

Catherine Chen, Coordinator Risk Management and Business Assurance, presented the draft Audit and Risk Committee report for inclusion in Council’s 2022/23 Annual Report. The report outlined the membership structure, performance and key activities for the year.

#### Audit and Risk Committee Resolution

The Committee endorsed the report following some minor wording changes provided.

**[Action]:** Chair recommended that the wording in the Annual Report be updated to include the presentation of Audit and Risk Committee Chair at the Council’s strategy meeting.

**[Officer]:** Kate Heissenbuttel/Catherine Chen

## **3 External Audit**

### **3.1 External Audit Closing Report**

Mark Peters, Partner at HLB Mann Judd, advised that they were satisfied with Council’s Financial Report and Performance Statement.

HLB Mann Judd advised that all outstanding matters are being dealt with satisfactorily and, subject to final quality checks, they will be recommending the Auditor-General issue a clear audit opinion.

Audit and Risk Committee Resolution

The Committee noted the report.

**3.2 External Audit Final Management Letter**

Mark Peters, Partner at HLB Mann Judd, advised the Committee that all open audit findings were on track to being resolved. A final Management Letter with the updated information will be further provided to the management.

Audit and Risk Committee Resolution

The Committee noted the report.

**3.3 Invitation to HLB Mann Judd to meet separately with Audit & Risk Committee members**

The Committee members met separately with the HLB Mann Judd without management's presence.

**4 Risk Management/Ethical Behaviour**

**4.1 Risk update including strategic risk review**

Kate Heissenbuttel, Manager Corporate Performance, provided an update on the work undertaken by the team in the risk management space over the last few months. This included the review of strategic risks and the top operational risks as well as the continuous development on risk appetite statement for Council. It was also discussed at the meeting that how management uses the risk registers as a tool to support their business decision-making.

Audit and Risk Committee Resolution

The Committee noted the report.

**[Action]:** The Committee requested management to consider how the adoption of risk culture can be measured and reported.

**[Officer]:** Kate Heissenbuttel/Catherine Chen

**4.2 Public Liability Insurance Report**

Kate Heissenbuttel, Manager Corporate Performance, provided the Audit and Risk Committee with an update on the 2022/23 substantial public liability insurance data. The Committee requested this data to be provided annually as part of the year-end reporting process.

Audit and Risk Committee Resolution

The Committee noted the report.

**[Action]:** The Committee requested this report be included in our annual ARC work plan and be brought back to the Committee at the Sept meeting each year.

**[Officer]:** Jarrod Doake/Kate Heissenbuttel

## 5 Internal Audit

### 5.1 Status of Delivery of 2023/24 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 the delivery of Lease and Licenses has concluded and a final report of Commonwealth Child Care Subsidy (CSS) Funding/ payment review audit is under review and will be made available to November ARC meeting.

When reviewing the Curious Eyes, the Committee discussed the recent cases of wage theft and the importance of implementing stronger governance and measures to prevent wage theft and ensure fair treatment in the workplace.

Audit and Risk Committee Resolution

The Committee noted the report.

**[Action]:** Management will undertake a review of what they are doing to manage the risk of 'wage theft' and how the terms and conditions of newly negotiated Enterprise Agreement are effectively implemented.

**[Officer]:** Darcy Logan / Yanthi Nilam

### 5.2 Summary of Open Internal Audit 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 reduced from 49 to 31. Additionally, the number of overdue audit actions have reduced from 14 to 8.

Audit and Risk Committee Resolution

The Committee noted the report.

### 5.3 Leases and License Audit

In June 2023, an internal audit was undertaken to assess the adequacy of various processes and procedures for the management of Councils leased and licensed property portfolio.

The audit found that the current controls in place over the management of leases and licenses can be further strengthened with 4 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 tabled and the management actions outlined in the report.

## 6 Governance

### 6.1 Identify any confidential items for separate minuting

None identified.

### 6.2 Audit and Risk Committee Charter review

In line with the Audit & Risk Committee Work Plan, a proposed Audit & Risk Committee Charter was tabled for discussion following Committee members' feedback.

John Watson recommended a further update of wording under Section 5.2 of the Audit and Risk Committee Charter as the section 125 of the Local Government Act applies to the independent members of Audit and Risk Committee.

Audit and Risk Committee Resolution

The Committee endorsed the report following some minor wording changes provided.

**[Action]:** The Committee requested a further update of the Audit and Risk Committee Charter to reflect John's comments.

**[Officer]:** Kate Heissenbuttel/Catherine Chen

## 7 Integrity Body Reports

### **7.1 Self-assessment report on VAGO Report – Regulating Private Pool and Spa Safety**

Catherine Sherwin, Manager City Planning, provided a follow-up update to the Committee on the self-assessment report against the VAGO Report – Regulating Private Pool and Spa Safety.

#### Audit and Risk Committee Resolution

The Committee noted the report.

### **7.2 Self-assessment report on VAGO report – Regulating Food Safety**

Greg Talbot, Manager Community Amenity presented the Committee with a self-assessment report to the Commission on VAGO report – Regulating Food Safety.

#### Audit and Risk Committee Resolution

The Committee noted the report.

## **8 Meeting Schedule**

### **8.1 Confirmed Meeting Schedule for 2023/24 - 24 November 2023, 14 March 2024 and 13 June 2024**

### **8.1 Confirmed Meeting Schedule for 2023/24 - 24 November 2023, 14 March 2024 and 13 June 2024**

The following meeting dates were presented:

- 24 November 2023, 8.00 - 10.30am
- 14 March 2024, 8.00 -10.30am
- 13 June 2024, 8.00 - 10.30am

## **9 Meeting Close**

The meeting was closed at 09:45am.

Confirmed by Chair (Mr Andrew Dix):

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

**10 Items for Noting Only**

1. ARC Workplan 2023 24 [**10.0.1** - 4 pages]
2. Monash Child Care Subsidy MAP clean [**10.0.2** - 6 pages]
3. MINUTES Risk Management Committee August 2023 [**10.0.3** - 4 pages]
4. Monash Fraud and Corruption Prevention Steering Committee Minutes Aug 2023 [**10.0.4** - 3 pages]
5. Technology Steering Committee - Minutes 29-08-23 final [**10.0.5** - 3 pages]
6. Risk Management Work Plan 2023/24 [**10.0.6** - 5 pages]