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Audit Committee Meeting No. 120

held on 27 June 2018 at 12.00 pm in Civic Centre

- Present:** A. Hall, External Member
F. Mansoor, External Member
Mayor Turner, Councillor Member (arrived at 1.10 pm)
Cr. Hardy, Councillor Member
- Chairperson:** R. Tommasini, External Member
- Attendance:** M. McCullagh, Internal Auditor
M. Oroszi, Internal Auditor
K. Tori, Chief Executive Officer
C. Denyer, Manager Legal and Governance
S. Rumoro, Manger Finance
D. Caligari, Manager Capital Projects
A. Hinds, Manager Risk and Performance (arrived at 12.15 pm)
M. Noor, Management Accounting Coordinator
A. Evans, Paralegal Officer

The Chairperson officially opened the meeting at 12.06 pm.

1. Apologies

L. Tripodi, Internal Auditor
M. Peters, External Auditor.

2. Declaration of interests and/or conflict of interests

Nil.

3. Confirmation of minutes of previous meeting held on 18 April 2018

Motion

Cr. Hardy/A. Hall

That the minutes of the Audit Committee meeting (including the separate in-camera minutes) dated 18 April 2018 be confirmed as a true and correct record.

Carried

4. Report Back From Council on Consideration of Previous Meeting Minutes

Cr. Hardy confirmed that all Councillors now hold a current Working with Children Check.

5. Business Arising From Previous Minutes

Nil.



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6. Audit Committee Work Plan

The following items were raised by the Chair:

Item 5: External Audit Recommendations Follow-up: S. Rumoro advised no new items were identified in the 2017-18 External Audit. The interim management letter had been received this morning and would be circulated to Audit Committee members via email.

Action: S. Rumoro

Item 10: Internal Audit Performance: C. Denyer advised this item was left off agenda as discussed in-camera at last meeting prior to the contract being renewed.

Item 12: Relevant Council Policies: K. Tori advised there were no relevant policies to bring to the Audit Committee.

Item 25: Fraud Report: The Committee noted that this item is not required to be a separate item on the Annual Plan as it is covered elsewhere. This item is to be removed from next year's Annual Plan.

Action: C. Santoro

Item 6: External Audit Performance: Listed on the Annual Plan for October. Senior finance staff to advise on any issues arising from the audit or otherwise. Table for in-camera next meeting.

Action: C. Santoro

7. Internal Audit Status Report as at 20 June 2018

M. McCullagh presented the Status Report, and advised the 2017/2018 program is complete. The 2018/2019 plan is on track with 2 scopes endorsed by management and being presented to the Committee today.

Noted

8. Internal Audit Plan Review

No Report – 2018-2020 Internal Audit Plan was tabled at April Audit Committee Meeting.

Noted

9. Leisure Centre Management Review Internal Audit Terms of Reference (Scope)

M. McCullagh presented the Terms of Reference.

The Committee noted and endorsed the Terms of Reference.

Noted

10. IT and Social Media Review Internal Audit Terms of Reference

M. McCullagh presented the Terms of Reference.

The Committee requested that the Audit include consideration of 'personal information'. M. McCullagh confirmed this would be included.

The Committee noted and endorsed the Terms of Reference.

Noted



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11. Fraud and Corruption Internal Audit 2018

M. McCullagh presented the report.

Recommendation 1:

That the recommendations and management comments in the Fraud and Corruption Internal Audit 2018 be adopted by Council.

12. Draft Council Plan (or Review of Council Plan)

A. Hinds presented a memorandum addressing a request for information from the Committee on the review of the first year of the 2017-18 Council and Wellbeing Plan.

Recommendation 2:

That Council note the memorandum and make no adjustment to the Council Plan.

13. Key Risk Matters update

A. Hinds advised the Committee that a report will be presented to the next meeting.

Action: A. Hinds

A. Hinds departed at 12.52 pm

14. Internal Audit Recommendation Tracking Report

The Committee noted that the presumably completed recommendations from this cycle were missing from the report (2555, 2523, 2494 and 2452) and should be reinstated. Also, it was queried if there are recommendations missing as there is a gap in the table - 2559 to 2566.

Action: C. Santoro

The Committee requested updates to the following:

- 2551: revise due date
- 2548: insert due date and revised date
- 2543: revise due date as 2 years later than original
- 2540: check due date. The action was to include this on the transformation agenda and work plan, not to actually complete transformation program
- 2536: comment is incomplete.

Action: Risk Owners

15. Audit Committee Terms of Reference (Charter)

The Committee made no changes to the Terms of Reference (Charter).

It was noted that the Charter refers to the Chair attending an annual Assembly of Councillors to recommend approval of the Internal Audit Program for next year and to summarise the activities of the Audit Committee during the previous financial year. The CEO will make necessary arrangements later in the year.

Action: K. Tori



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16. Audit Committee Feedback Questionnaire

A. Hall requested that wording be changed in question 12.7 in that the Audit Committee should be evaluated collectively and not individually by removal of words 'individual member'. The Committee were otherwise happy with the questionnaire and requested it be distributed to regular attendees of the Audit Committee with report back at next meeting.

Action: C. Santoro

17. 2017/18 Council and Wellbeing Annual Action Plan 3rd Quarter

The Committee noted the 2017/18 Council and Wellbeing Annual Action Plan 3rd Quarter report.

Noted

18. Finance Report dated 31 May 2018

S. Rumoro presented the report and responded to questions raised by the Committee.

Recommendation 3:

That Council note the Finance Report dated 31 May 2018.

19. Annual Financial Report Shell Accounts for year ended 30 June 2018

S. Rumoro presented the Shell Accounts.

Noted

20. Melton City Council Budget 2018/19

S. Rumoro presented the budget which Council adopted at its Ordinary Meeting on 25 June 2018.

Noted

D. Caligari and M. Noor departed at 1.40 pm

21. Report on Published Statements/Reports (if any)

- **Assessing Benefits from the Regional Rail Link Project, VAGO Report published March 2018**

K. Tori presented the report.

- **Annual Plan 2018-19, VAGO Report published June 2018**

K. Tori and C. Denyer presented the report.

- **Investigation into Wodonga City Council's overcharging of a waste management levy, Victorian Ombudsman's Report published April 2018**

K. Tori presented the report.

- **LGV Bulletin 14/2018: Setting of Service Charges; with 2014 Revenue and Rating Strategy Better Practice Guide**

K. Tori presented the Bulletin and attachment.



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- **Investigation into Maribyrnong City Council's internal review practices for disability parking infringements, Victorian Ombudsman's Report published April 2018**

C. Denyer presented the report.

- **Good Practice Guide to Dealing with Challenging Behaviour – Report and Guide, Victorian Ombudsman's Report published May 2018**

C. Denyer presented the report.

17. General Business

Nil.

Next Meeting

The next meeting is to be held on 29 August 2018 commencing at 12.00 pm in the Conference room.

Close of Business

The meeting closed at 1.58 pm.