



## MINUTES

### **Audit Committee Meeting No. 125**

held on 24 April 2019 at 12.00 pm in Civic Centre

- Present:** F. Mansoor, External Member  
C. Gregory, External Member  
Cr. Turner, Councillor Member  
Cr. Hardy, Councillor Member
- Chairperson:** R. Tommasini, External Member
- Attendance:** K. Tori, Chief Executive Officer  
M. Oroszi, Internal Auditor  
N. Walker, External Auditor  
L. Downs, External Auditor  
C. Denyer, Legal & Governance Manager  
S. Rumoro, Manager Finance (arrived 12.06 pm)  
D. Caligari, Manager Capital Projects  
C. Santoro, Senior Administration Officer

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The Chairperson officially opened the meeting at 12.02 pm.

**1. Apologies**

L. Tripodi, Internal Auditor  
M. McCullagh, Internal Auditor

**2. Declaration of interests and/or conflict of interests**

Nil.

**3. Confirmation of minutes of previous meeting held on 27 February 2019**

**Motion**

Cr. Hardy/C. Gregory

That the minutes of the Audit Committee meeting dated 27 February 2019 be confirmed as a true and correct record.

**Carried**

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

Cr. Hardy informed the Committee that an update on the Recycling contract will be presented to Council at the next Council meeting, which is scheduled for 29 April 2019.

All Councillors, with the exception of Cr Turner, who was on leave, attended the Child Safe training session on 12 March 2019.



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### 5. Business Arising From Previous Minutes

- Circulation of report to Councillors on IBACs Review on Local Government Integrity Frameworks (mailed to Councillors)  
The Committee noted the action taken.

Noted

- Fraud & Corruption Control Plan to be added to the Audit Committee Annual Plan for update on progress twice yearly (added to Audit Committee Plan)  
The Committee noted the action taken.

Noted

- Internal Auditors to meet with CEO to discuss and implement the Strategic Internal Audit Plan for the next three years (meeting occurred 27 March 2019)  
The Committee noted the action taken.

Noted

- The following Recommendations emanating from the Internal Audit Recommendation Tracking Report be actioned:
  - 2605 - review and revise due date
  - 2602 - can be closed off
  - 2588 - request evidence and sight documentation that action has been undertaken
  - 2584 - can be closed off (CEO happy with proposed 'work around')
  - 2585 - can be closed off (CEO happy with proposed 'work around')
  - 2553 - remove first sentence under Audit Recommendation as it doesn't belong
  - 2536 - reinstate last management comment
  - 2588 - has been reopened to ensure the recommendation is fully addressed

The Committee noted the action taken.

Noted

- CEO to provide Cr Hardy with the party responsible for the maintenance of the Melton Valley Golf Club as per current Lease (information provided to Cr Hardy)  
The Committee noted the action taken.

Noted

### 6. Audit Committee Annual Work Plan

The Annual Work Plan relating to this meeting was noted.

The Chairperson enquired whether the Internal or External Auditors had a need to meet 'in-camera' with the Committee members.

Both the Internal and External Auditors informed the Committee that this was not required.

Noted



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### 7. External Audit Plan Planning/Process Timetable

N. Walker presented the 2019 VAGO Audit Strategy report, summarising the key changes impacting the audit and key risks and areas of focus and responded to questions raised by the Committee.

The Committee noted the External Audit Plan/Process Timetable.

Noted

*N. Walker/L. Downs departed 12.30 pm*

### 8. Finance Report 9 Months Ended 31 March 2019

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

F. Mansoor enquired whether a report on the benchmarking of Council's collection of rates and rate arrears compared to other Councils could be undertaken and presented to the Committee.

S. Rumoro informed the Committee that a report on rates and rate arrears benchmarking with other Councils can be compiled and will be presented to the Committee annually.

**Action: S. Rumoro**

D. Caligari provided an explanation for the apparently low CapEx spend YTD which was noted by the Committee.

**Recommendation 1:**

That Council note the Finance Report 9 Months Ended 31 March 2019.

*D. Caligari departed meeting 12.52 pm*

### 9. Investment Holdings Report as at 31 March 2019

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

Noted

### 10. Long Term Financial Strategy

S. Rumoro presented the report and responded to questions raised by the Committee. An underlying surplus calculation for the 10 year Plan Profit and Loss will be submitted to the Committee when compiled.

**Action: S. Rumoro**

### 11. Update on National Asset Management Assessment Framework Report Card (NAMAF)

The Committee noted the report from the Asset Management & GIS Coordinator, Steve Ryan, on withdrawing from the NAMAF program, but enquired what the program is being replaced with and whether any risks to Council result from the withdrawal of this program.

CEO K. Tori suggested that the Asset Management & GIS Coordinator, Steve Ryan, attend the next Audit Committee meeting and respond to the questions raised by the Committee.

Agreed

**Action: Asset Management & GIS Coord, Steve Ryan attend next Committee meeting.**



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### 12. Staff Excess Annual Leave

CEO K. Tori presented the report and responded to questions raised by the Committee.

Noted

### 13. Internal Audit Status Report as at 16 April 2019, including Program Calendar

M. Oroszi informed the Committee that Annual Strategic Internal Audit Plan is on track, with the Animal Management report to be tabled at the next meeting.

As there were no questions raised, the Committee noted the Internal Audit Status Report.

Noted

### 14. Draft Strategic Audit Plan 2019/2020 to 2021/2022

M. Oroszi presented the draft Strategic Audit Plan for 2019/2020 to 2021/2022 for discussion and recommendation to Council for approval.

R. Tommasini suggested the audit review on Cyber Security, proposed in the third year 2021/2022, be brought forward, due to the high risks currently associated around this issue.

After further discussion it was recommended that the timeframe for the Cyber Security review be switched with the review for Information and Records Management, which is scheduled in the second year 2020/2021.

#### **Recommendation 2:**

That Council endorse the proposed Strategic Audit Plan 2019/2020 to 2021/2022 incorporating the above amendment.

### 15. Internal Audit Review on 'Follow Up of Previous Internal Audit Recommendations'

M. Oroszi presented the report, concluding that sample testing of 22 audit recommendations revealed that 20 recommendations indicated as completed or partially implemented had been appropriately reported in the Recommendation Tracking Report, however the audit identified 2 instances where the action plans had been closed off as completed in the report however the implementation of the recommendations were still in progress.

M. Oroszi responded to questions raised by the Committee.

R. Tommasini suggested recommendation 1 be split into 2 parts for management comments within the Recommendation Tracking Report.

**Action: Cheryl Santoro**

#### **Recommendation 3:**

That the recommendations and management comments in the Follow Up of Previous Internal Audit Recommendations report be adopted by Council.



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### 16. Internal Audit Recommendation Tracking Report

The Committee noted the continued progress on the report and recommended the following actions on the audit recommendations listed below:

- 2601 – confirm the listed documentation is maintained on ECM system
- 2600 and 2597 – Position Descriptions updated in relation to the management of volunteers – confirm that this satisfies the recommendation
- 2494 – include previous February management comment within report.

**Action: Cheryl Santoro**

As there were no further questions raised, the Committee noted the report.

Noted

### 17. Report on Published Statements/Reports (if any)

- IBAC Report on 'Local Government Integrity Frameworks Review' – published March 2019

As there were no questions raised by the Committee, the report was noted.

Noted

### 18. General Business

No matters were raised under this agenda item.

*S. Rumoro/M. Oroszi departed 1.55 pm*

### 19. Other matters as determined by the Chief Executive Officer/Committee Chairperson (including any identified Fraud instances (if any))

No matters were raised under this agenda item.

### 24. Quarterly Legal Report as at 31 March 2019

*Note – Matters discussed under this Agenda item are dealt with "in-camera" as they relate to legal matters.*

### Close of Business

The meeting closed at 2.03 pm.

### Next Meeting

The next meeting is to be held on 26 June 2019 commencing at 12.00 pm in the Conference room