



MINUTES

Audit Committee Meeting No. 128
held on 30 October 2019 at 12.00 pm in Civic Centre

Present: F. Mansoor, External Member
Cr. Turner, Councillor Member
Cr. Hardy, Councillor Member (arrived 12.56 pm)

Chairperson: R. Tommasini, External Member

Attendance: K. Tori, Chief Executive Officer
C. Denyer, Legal & Governance Manager
D. Caligari, Manager Capital Projects
S. Rumoro, Manager Finance
M. McCullagh, Internal Auditor
M. Oroszi, Internal Auditor
M. Noor, Management Accounting Coordinator
C. Santoro, Senior Administration Officer
J. Dowling, Contractor from Midstate Creditcollect Pty Ltd (arrived 12.07 pm)

The Chairperson officially opened the meeting at 12.02 pm.

1. Apologies

C. Gregory, External Member.

2. Declaration of interests and/or conflict of interests

Nil.

3. Confirmation of minutes of previous meeting held on 28 August 2019

Motion

Cr. Turner/F. Mansoor

That the minutes of the Audit Committee meeting dated 28 August 2019 be confirmed as a true and correct record.

Carried

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

Cr. Turner informed the Committee there was nothing to report back from Council.

Noted



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5. Business Arising From Previous Minutes

- **The Recommendations emanating from previous meeting in relation to the Internal Audit Recommendations Tracking Report to be discussed under Agenda Item 22.**

Noted

- **Chairperson to attend the Council Briefing on 28 October 2019 regarding Audit Committee's Performance Plan**

R. Tommasini, Chairperson, informed the Committee that the presentation on the Committee's annual performance plan was well received by Councillors.

Noted

- **Audit Committee Annual Plan has been amended to include an Annual Report on 'Overview of Council's Business Continuity Plan'**

Noted

- **Audit Committee Performance Survey has been amended as recommended by Audit Committee**

Noted

J. Dowling arrived 12.07pm

6. Presentation on 'Rates Collection Performance for Melton City Council' by Jason Dowling from Midstate Creditcollect Pty Ltd

J. Dowling presented a brief overview on the new direction undertaken in relation to Council's overdue rate debtors.

The presentation was well received and J. Dowling responded to questions raised by the Committee.

Noted

J. Dowling departed 12.28pm

7. Audit Committee Annual Work Plan

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

The Internal Auditors informed the Committee that this was not required.

Noted

8. Finance Report 1st Quarter Ending 30 September 2019

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

D. Caligari, Manager Capital Projects, updated the Committee on the status of expenditure in relation to Council's capital projects and responded to questions raised by the Committee.

Recommendation 1:

That Council note the Finance Report 1st Quarter ending 30 September 2019.



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9. End of Year Capital Expenditure Report 2018/2019

D. Caligari, Manager Capital Projects, presented to the Committee the end of year capital expenditure report for 2018/2019 and responded to questions raised by the Committee.

Noted

D. Caligari/M. Noor departed at 12.47 pm

10. Investment Holdings Report as at 30 September 2019

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

Noted

Cr Hardy arrived 12.56 pm

11. Credit Card Expenses 2018/2019

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

Noted

12. Councillor Expenses 2018/2019

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

Noted

13. Hospitality and Entertainment Report 2018/2019

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

Noted

14. Staff Excess Annual Leave as at 30 September 2019

Discussion took place on the report not showing hours of staff leave approved but not taken to date, and the Committee requested that future Staff Excess Annual Leave reports include an extra column depicting hours of future leave approved but not taken to date.

Action: Workforce Performance Coordinator

15. Fraud and Corruption Control Plan

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

Noted

16. Council Action Plan Quarterly Exception Report

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

Noted



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17. Internal Audit Status Report as at 22 October 2019 including Program Calendar

M. McCullagh, Internal Auditor, informed the Committee that the Annual Strategic Internal Audit Plan is on track, with two reviews completed and tabled for discussion along with two scopes tabled for approval at this meeting.

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

Noted

18. Internal Audit Scope for 'Financial Controls (Payroll)'

M. McCullagh presented the scope for Financial Controls (Payroll) review for approval and responded to questions raised by the Committee.

The Committee approved the scope for Financial Controls (Payroll) review.

Approved

19. Internal Audit Scope for 'Recreation and Facilities (Sports Ground Allocations)'

M. McCullagh presented the scope for Recreation and Facilities (Sports Ground Allocations) review for approval and responded to questions raised by the Committee.

The Committee approved the scope for Recreation and Facilities (Sports Ground Allocations) review.

Approved

20. Internal Audit Review on 'Infringements Management'

M. McCullagh presented the report on the Infringements Management review and advised that Council had undertaken a significant amount of work within infringements management and consequently, no recommendations were raised in relation to this review.

The Committee noted the controls and practices implemented, resulting in a positive audit outcome, and noted the report.

Noted

21. Internal Audit Review on 'Grants Management'

M. McCullagh presented the report on the Grants Management review and advised there were no major concerns raised but identified opportunities to strengthen existing processes.

Discussion took place on the comments addressing the management action plan for some of the recommendations and how these would be closed.

Recommendation 2:

That the recommendations and management comments in the Grants Management report be adopted by Council.

22. Internal Audit Recommendation Tracking Report, including the following recommendations emanating from the previous meeting:

The Committee noted the reinstatement of Management comments regarding recommendation 2517.

The Committee noted the action taken to date and recommended the following action:



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- 2525 – Recommendation to be closed off
- 2588 – Update on whether the drill for MIRC, scheduled for September 2019 had taken place.

Action: C. Santoro/T. Scoble

As there were no further discussion, the Committee noted the report.

Noted

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

- **Correspondence from IBAC including Special Report on 'Corruption Risks Associated with Procurement in Local Government' published September 2019**

C. Denyer, Manager Legal and Governance, informed the Committee on Council's current practices in relation to each recommendation within the report and responded to questions raised by the Committee.

Noted

- **Correspondence from the Executive Director Local Government Victoria, in relation to Council's Response regarding VAGO's 'Fraud and Corruption Control' Report dated 19 September 2019**

As there were no questions raised, the Committee noted the received correspondence.

Noted

- **Victorian Ombudsman Report on 'Revisiting Councils and Complaints' published October 2019**

As some of the recommendations within the report relate to amendments within the 2019 Local Government Bill, it was agreed that no action needs to be taken until the Bill has been re-introduced into Parliament.

Noted

Cr Turner departed 2.00 pm

24. Proposal on New Form of Audit Committee Agenda and Papers using InfoCouncil

Christine Denyer, Manager Legal & Governance, presented draft Agenda papers, with samples of two reports, including the appendices, in the proposed new format, that is currently being used for Council meeting agendas.

Discussion took place on the advantages and formalities of presenting the Audit Committee papers in this format and C. Denyer responded to questions raised by the Committee.

Motion

Cr. Hardy/R. Tommasini

That the members of the Audit Committee endorse the move to a new form of agenda and reports using InfoCouncil.

Carried



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25. General Business

Cr. Hardy informed the Committee that the Statutory Meeting is scheduled for 31 October 2019 to elect a new Mayor and Deputy Mayor and Councillor representation on current Council Committees will be adopted at the December 2019 Council meeting.

No further general business was raised.

M. McCullagh/M. Oroszi/S. Rumoro *departed 2.18 pm*

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

Note – Matters raised under this Agenda item are dealt with “in-camera” as they may relate to contractual, legal or personnel matters.

27. Quarterly Legal Report as at 30 September 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 2.19 pm.

Next Meeting

The next meeting is to be held on 11 December 2019 commencing at 12.00 pm in the Conference room