



MELTON CITY COUNCIL

**Minutes of the Audit and Risk Committee
Meeting of the Melton City Council
Held via videoconference**

12 May 2021

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**TABLE OF CONTENTS**

1.	WELCOME / ELECTION OF CHAIR (IF REQUIRED)	4
2.	APOLOGIES AND LEAVE OF ABSENCE	4
3.	DECLARATION OF INTEREST AND/OR CONFLICT OF INTEREST	4
4.	MINUTES OF PREVIOUS MEETINGS	5
5.	OTHER BUSINESS CARRIED OVER FROM A PREVIOUS MEETING	5
6.	PRESENTATION OF STAFF REPORTS	6
6.1	ANNUAL WORK PLAN FOR 2021 AND TRACKING REPORT FOR AUDIT & RISK COMMITTEE ACTIONS	6
	To allow the Committee to check the agenda for this meeting against the <i>Annual Work Plan 2021</i> and to present to the <i>Tracking Report for Audit & Risk Committee Actions</i> as at May 2021.	
6.2	REVIEW REPORT ON MANAGEMENT RESPONSES TO ANY AUDIT FINDINGS AND ENSURE APPROPRIATE AND TIMELY	8
	To advise the Committee of the interim audit findings and management responses.	
6.3	BUSINESS CONTINUITY MANAGEMENT ANNUAL REPORT	10
	To present the Business Continuity Management Annual Report.	
6.4	REVIEW OF INTERNAL CONTROL ENVIRONMENT - COUNCIL POLICIES FOR 2021	13
	To update the Audit and Risk Committee on the review of the Internal Control Environment – Council Policies for 2021.	
6.5	REVIEW - COUNCIL'S EMPLOYEE CODE OF CONDUCT	17
	To report on the annual review of processes for communicating Council's Employee Code of Conduct to employee and contractors and monitoring compliance.	
6.6	LOCAL GOVERNMENT ACT 2020 IMPLEMENTATION	19
	To update the Audit and Risk Committee on the implementation of the <i>Local Government Act 2020</i>	

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021

6.7	REVIEW OF INTERNAL CONTROL ENVIRONMENT - ANNUAL REPORT ON KEY SYSTEMS AND CONTROLS	23
	To provide an annual report to the Audit and Risk Committee on key systems and controls, any changes with same and any testing for compliance.	
6.8	INVESTMENT HOLDING REPORT AS AT 31 MARCH 2021	26
	To present the Investment Holding Report for the 9 months ended 31 March 2021 (the Report).	
6.9	FINANCE REPORT - PERIOD ENDED 31 MARCH 2021	28
	To present the 2020/2021 Finance report for the 9 months ended 31 March 2021 (the Report).	
6.10	INTERNAL AUDIT STATUS REPORT INCLUDING THE ASSURANCE MAP UPDATE BRIEFING DOCUMENT AS AT MAY 2021	30
	To present the <i>Internal Audit Status Report</i> including the <i>Assurance Map update Briefing Document as at May 2021</i> (the Reports)	
6.11	DRAFT SCOPE FOR THE INTERNAL AUDIT OF THE INTEGRITY FRAMEWORK	32
	To present the draft <i>Scope for the Internal Audit of the Integrity Framework</i> .	
6.12	INTERNAL AUDIT REPORT ON CAPITAL PROJECTS FRAMEWORK	34
	To present the Internal Audit Report, Capital Projects Framework ('The Report')	
6.13	REVIEW OF COUNCIL'S FRAUD AND CORRUPTION PLAN	36
	To present an update on Council's Fraud and Corruption Plan	
6.14	INTERNAL AUDIT RECOMMENDATION TRACKING REPORT FOR MAY 2021	39
	To present the <i>Internal Audit Recommendation Tracking Report for May 2021</i> (the Report).	
7.	MEET WITH AUDITORS IN THE ABSENCE OF MANAGEMENT	41
8.	PUBLICATIONS	42
8.1	PUBLICATIONS	42
9.	OTHER MATTERS RAISED BY THE COMMITTEE	43

<u>MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING</u>	<u>12 MAY 2021</u>
10. CONFIDENTIAL BUSINESS	44
11. NEXT MEETING	44
12. CLOSE OF BUSINESS	44

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**MELTON CITY COUNCIL****MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING
OF THE MELTON CITY COUNCIL HELD VIA A VIDEOCONFERENCE
ON 12 MAY 2021 AT 12 NOON**

Present: Mr R. Tommasini
Mr F. Mansoor
Ms C. Gregory
Cr K. Majdlik
Cr J. Shannon

Attendance: Mr K. Tori, Chief Executive Officer
Mr S. Rumoro, Manager Finance
Mr D. Caligari, Manager Capital Projects
Ms N. Misurelli, Manager People & Culture
Mr M. Susa, Senior Management Accountant
Mr P. Doyle, Emergency Management Coordinator
Mr N. Walker, External Auditor
Mr. S. Akbani, External Auditor
Ms K. Maher, Internal Auditor
Mr J Whitfield, Governance Coordinator
Ms C. Santoro, Senior Administration Officer

1. WELCOME / ELECTION OF CHAIR (IF REQUIRED)

The Chairperson opened the meeting and welcomed the committee members.

2. APOLOGIES AND LEAVE OF ABSENCE

Nil.

3. DECLARATION OF INTEREST AND / OR CONFLICT OF INTEREST

Nil.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**4. MINUTES OF PREVIOUS MEETINGS****RECOMMENDATION:**

That the Minutes of the Audit and Risk Committee Meeting held on 17 February 2021 and adopted by Council at the Ordinary Meeting held on 15 March 2021 be noted.

Motion

Ms Gregory/ Mr Mansoor.

That the Minutes of the Audit and Risk Committee Meeting held on 17 February 2021 and presented to Council at the Meeting held on 15 March 2021, the recommendations for which have been adopted, be noted.

CARRIED

5. OTHER BUSINESS CARRIED OVER FROM A PREVIOUS MEETING

Nil.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**6. PRESENTATION OF STAFF REPORTS****6.1 ANNUAL WORK PLAN FOR 2021 AND TRACKING REPORT FOR AUDIT & RISK COMMITTEE ACTIONS****Author: Cheryl Santoro - Senior Administration Officer
Presenter: Cheryl Santoro – Senior Administration Officer****PURPOSE OF REPORT**

To allow the Committee to check the agenda for this meeting against the *Annual Work Plan 2021* and to present to the *Tracking Report for Audit & Risk Committee Actions* as at May 2021.

RECOMMENDATION:

That the Council note that the Audit and Risk Committee checked the agenda against the *Annual Work Plan 2021* and reviewed the *Tracking Report for Audit & Risk Committee Actions* as at May 2021 and that no further action is required.

Recommendation 1

Ms. Gregory/Mr. Mansoor

That the Council note that the Audit & Risk Committee checked the agenda against the *Annual Work Plan for 2021* and reviewed the *Tracking Report for Audit & Risk Committee Actions* as at May 2021 and that no further action is required.

CARRIED

REPORT**1. Executive Summary**

As requested at the Audit Committee meeting held 11 December 2019, the *Annual Work Plan*, approved annually and the *Tracking report for Audit & Risk Committee Actions* are presented to the Committee as a standing item on this agenda.

This agenda addresses all items in the Annual Work Plan 2021 scheduled for May 2021 with the exception of the following items which will be held over and presented to the August 2021 Audit and Risk Committee meeting:

- Report on action taken by Council addressing recommendations within the VAGO report on 'Sexual Harassment in Local Government'
- Report on review progress of any significant legal matters/proceedings facing Council.

2. Background/Issues

The *Annual Work Plan 2021* is attached as **Appendix 1** and the *Tracking report for Audit and Risk Committee Actions* as at May 2021 is attached as **Appendix 2**.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021

This agenda addresses all items in the Annual Work Plan 2021 scheduled for May 2021 with the exception of the following items which will be held over and presented to the August 2021 Audit and Risk Committee meeting:

- Report on action taken by Council addressing recommendations within the VAGO report on 'Sexual Harassment in Local Government'
- Report on review progress of any significant legal matter/proceedings facing Council.

3. Audit Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Plan references:

13. AC Charter

4. Financial Considerations

N/A

5. Consultation/Public Submissions

N/A

6. Risk Analysis

N/A

7. Options

Make a different recommendation to Council based on the Tracking Report.

LIST OF APPENDICES

1. Annual Work Plan for 2021
2. Tracking Report for Audit and Risk Committee Actions

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**6.2 REVIEW REPORT ON MANAGEMENT RESPONSES TO ANY AUDIT FINDINGS AND ENSURE APPROPRIATE AND TIMELY**

Author: Sam Rumoro - Manager Finance
Presenter: Sam Rumoro - Manager Finance
Presenter: Mr Nick Walker – External Auditor

PURPOSE OF REPORT

To advise the Committee of the interim audit findings and management responses.

RECOMMENDATION:

That Council note that the Audit & Risk Committee have reviewed contents of this report and no further action is required.

Recommendation 2

Ms. Gregory/Mr. Mansoor

That the Council note that the Audit & Risk Committee have reviewed contents of this report and no further action is required.

CARRIED

REPORT**1. Executive Summary**

Report outlines first interim phase of the 2021 audit and findings from that phase of the audit.

2. Background/Issues

The interim management letter provides a summary of audit findings from the interim phase of Melton City Council audit.

There are two matters raised in this letter one resolved and the other unresolved;

- An Information Communication and Technology (ICT) physical security policy document has not been formally adopted. Furthermore, ICT documents developed by Melton have not been periodically reviewed (unresolved)
- Password settings do not align with industry better practice (resolved)

The ICT physical security policy document matter is currently been attended to by management. External auditors will assess the progress made during the Information Technology review.

3. Audit Committee Annual Plan Reference

The Melton City Council Audit Committee Annual Plan references:

4. External Audit Management Letter

Page 8

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

4. Financial Considerations

Financial considerations are outlined above.

5. Consultation/Public Submissions

Consultation undertaken with external auditors HLB Mann Judd.

6. Risk Analysis

N/A

7. Options

The Audit Committee can recommend to Council that it:

1. Request further information/clarification if deemed necessary

LIST OF APPENDICES

1. Interim Management Letter for the year ending 30 June 2021

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021

Mr Akbani (External Auditor) left the meeting at 12.24 pm

6.3 BUSINESS CONTINUITY MANAGEMENT ANNUAL REPORT

Author: Peter Doyle - Emergency Management Coordinator
Presenter: Peter Doyle - Emergency Management Coordinator

PURPOSE OF REPORT

To present the Business Continuity Management Annual Report.

RECOMMENDATION:

That Council note that the Audit and Risk Committee reviewed the Business Continuity Management Annual Report and no further action is required.

Recommendation 3

Ms.Gregory/Mr Mansoor

That Council note that the Audit and Risk Committee reviewed the Business Continuity Management Annual Report and no further action is required.

CARRIED

REPORT**1. Executive Summary**

Melton City Council is committed to achieving the continuity of its businesses in the event of an incident which causes, or has the potential to cause major disruption. To achieve this, Council has established Business Continuity Management (BCM) as an integral part of the Council's normal operations

Council has a Business Continuity Plan that covers the organisational response during major disruptions to the business. This plan was activated during the COVID-19 pandemic and is still being utilised. An annual test of the Business Continuity Plan is required and the COVID-19 activation is considered as a good test.

Due to the significant business interruption relating to COVID-19 a new Business Impact Analysis will be undertaken at the end of the activation.

2. Background/Issues**Council's Business Continuity**

Melton City Council is committed to achieving the continuity of its businesses in the event of an incident which causes, or has the potential to cause major disruption. To achieve this, Council has established Business Continuity Management (BCM) as an integral part of the Council's normal operations

Melton City Council's BCM includes:

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

- A policy which describes how Melton City Council is best prepared to continue to provide critical business functions in the event of a major disruption to its operations.
- A Business Continuity Plan: this covers damage assessment, disaster declaration, crisis management and crisis communication. (Both crisis management and crisis communication have proven critical in the ongoing response to the Covid – 19 pandemic response.)
- Individual Critical Business Function Business Continuity Plans covering Melton City Council's critical function areas identified through the Business Impact Analysis process.

Council will ensure that, as far as reasonably practicable, the Council's operations do not place people, property, or the environment at unacceptable levels of risk or harm.

Business Continuity Policy

Council developed a Business Continuity Policy in 2018 which is nearing the end of the 3 year cycle; a revised draft version (2021) is with the Policy review Panel for approval.

One key change was the insertion of a Business Impact Analysis to occur in a 5 year cycle and/or when there is a significant business change or disruption.

A Business Impact Analysis is a systematic process to determine and evaluate the potential effects of an interruption to critical business operations as a result of a Disruptive event

BCP	Test/ Exercise/Review Cycle	Responsibility
Business Impact Analysis	5 year cycle and/or when there is a significant business change or disruption	Emergency Management Coordinator

COVID-19 Activation.

The Business Continuity Plan (BCP) is currently activated in response to Covid-19.

The BCP sets out that Council should form a Crisis Management Team (CMT) to respond to the crisis. This CMT was initially meeting daily and have now scaled back to meeting weekly.

The Crisis Management team has proven critical in coordinating Councils ongoing response to the Covid – 19 pandemic. The Crisis Management team continues to provide timely communications and agile decision making to all staff and stakeholder requests.

An activation is considered a good test of the Business Continuity Management arrangements and it's fit for purpose.

When conditions allow; a full after action review of the Crisis Management team actions and response will no doubt yield improvements to Councils Business Continuity arrangements.

It is also deemed that the response to COVID-19 is a significant business change or disruption and a new Business Impact Analysis should be undertaken after the activation is considered over.

3. Audit and Risk Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Plan references:

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021

15. Review BCP framework and testing regime

4. Financial Considerations

Contractor and other costs are in accordance with the approved Council 2020 – 2021 Budget.

5. Consultation/Public Submissions

No consultation was required in the preparation of this report

6. Risk Analysis

External audit is conducted by Councils insurer MAV/JLT insurance@mav.asn.au

The Business Continuity Plan is currently activated in response to Covid-19 and the Crisis Management team which had been meeting daily; have scaled back and are now meeting weekly.

7. Options

The Audit and Risk Committee may:

1. Seek further information regarding the progress report
2. Note the annual report and take no further action.

LIST OF APPENDICES

Nil

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING**12 MAY 2021**

Mr Doyle (Emergency Management Coordinator) left the meeting at 12.28 pm

6.4 REVIEW OF INTERNAL CONTROL ENVIRONMENT - COUNCIL POLICIES FOR 2021

Author: Christine Denyer - Manager Legal and Governance
Presenter: Kelvin Tori – Chief Executive Officer

PURPOSE OF REPORT

To update the Audit and Risk Committee on the review of the Internal Control Environment – Council Policies for 2021.

RECOMMENDATION:

That Council notes that the Audit and Risk Committee reviewed the report and that no further action is required (other than the action outlined in the report).

Recommendation 4

Ms.Gregory/Cr Majdlik

That Council notes that the Audit and Risk Committee reviewed the report and that no further action is required (other than the action outlined in the report).

CARRIED

REPORT**1. Executive Summary**

The approved Audit and Risk Committee Annual Work Plan for 2021 is a synthesis of the requirements of the Audit and Risk Committee Charter and the requirements of the Local Government Act 2020. Included in the Annual Work Plan is a rolling four year plan for review of the Internal Control Environment, Council Policies.

The policies due for review by the Committee are set out below. All policies are either up to date or in the process of being updated with the exception of the Staff Gift Policy which, pursuant to the Local Government Act 2020, must be included in the new Staff Code of Conduct and the Governance Charter, which cannot be reviewed until the Council Plan has been adopted.

2. Background/Issues

It is a requirement of section 5 of the Audit and Risk Committee Charter and section 54(3) of the *Local Government Act 2020*, to develop and adopt an Annual Work Plan, which was approved by Council at its Ordinary meeting on 21 December 2020. The Annual Work Plan was developed using the template provided by Local Government Victoria and includes a rolling four year plan for review of the Internal Control Environment, Council Policies. Policies are an effective internal control to mitigate risk. Some policies are required by legislation.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

The following items within the four year plan for review for 2021 are listed in the table below using 'traffic light' colours to indicate the status of the review. Some of the policies are organisational and are thus approved by Executive, whilst others are adopted by Council by resolution. Different levels of consultation apply depending upon the type of policy including internal consultation and external consultation.

Policy	Review Due	Comments	Main risks mitigated against
Delegations of Authority	Within 12 months of an election.	Up to date. Made pursuant to statute. To be tabled at the August 2021 Council meeting for approval	Officers acting ultra vires (without power).
Privacy Policy	May 2022	Review conducted and amendments nearly complete. Required by statute. Amendments in draft and will be ready to be presented to executive in the next month. Draft policy attached at Appendix 1 with blackline showing changes between the draft and the current policy.	Breach of <i>Privacy and Data Protection Act 2014</i> and Privacy Principles. Privacy complaints.
Child Safe Policy	March 2026	Review conducted and amendments nearly complete. Required by statute. To be tabled at the May 2021 Policy Review Panel. Draft policy attached at Appendix 2	Child abuse and lack of appropriate response to child abuse.
Public Interest Disclosure Procedure	May 2023	Up to date. Required by Statute Public Interest Disclosure Procedure reviewed 28 May 2020. Copy attached at Appendix 3	Fraud, corruption, improper conduct and reprisals against those who report this.
Governance Charter	June 2020	Unable to be updated at this time. Not required by statute. In abeyance until new Council Plan.	

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

Governance Rules	Not Applicable	Up to date. Required by Statute. Professionally drafted by Maddocks Lawyers. Governance Rules reviewed and adopted 31/08/2020. Copy attached at Appendix 4	
Gifts Policy (Staff)	September 2018	Date not yet due under new Local Government Act 2020. Required by statute. The <i>Local Government Act 2020</i> deems that the Staff Gift Policy be part of the Staff Code of Conduct. Will be largely the same approach as the one taken in relation to Councillors. It is scheduled to be tabled at the November 2021 Council meeting for approval.	
Gifts Policy (Councillors)	February 2025	Up to date. Required by Statute. Gift Policy (Councillors) reviewed and adopted 15/3/2021. Copy attached at Appendix 5	

3. Audit and Risk Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Plan references:

10. Review the adequacy and effectiveness of key policies, systems and controls and their consistency with Local Government Principles.- Refer attached plan

4. Financial Considerations

Not applicable.

5. Consultation/Public Submissions

All new policies and documents that are required to include input from the Community have and will include that input. For example, the Governance Rules were publically advertised with feedback from the community sought.

6. Risk Analysis

The risks associated with the policies under review are set out in the table above.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

7. Options

That the Audit and Risk Committee may:

1. Seek further information regarding this report
2. Note this report and the planned actions as set out in the report and recommend Council take no further action.

LIST OF APPENDICES

1. Privacy Policy showing changes between the draft and the current policy
2. draft Child Safe Policy
3. Public Interest Disclosure Procedure
4. Governance Rules
5. Gifts Policy (Councillors)

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**6.5 REVIEW - COUNCIL'S EMPLOYEE CODE OF CONDUCT**

Author: Nicole Misurelli - Manager People & Culture
Presenter: Nicole Misurelli - Manager People & Culture

PURPOSE OF REPORT

To report on the annual review of processes for communicating Council's Employee Code of Conduct to employee and contractors and monitoring compliance.

RECOMMENDATION:

That Council note that the Audit and Risk Committee reviewed the Report and that no further action is required.

Recommendation 5

Cr Majdlik/Cr Shannon

That Council note that the Audit and Risk Committee reviewed the Report and that no further action is required.

CARRIED

REPORT**1. Executive Summary**

People and Culture communicate the Code of Conduct for employees through induction (compulsory training module), biennial refresher training and when appropriate, targeted messages to all or some staff groups. Labour hire contractors are required to review and indicate their acceptance/agreement with Council's Code of Conduct and relevant policies prior to engagement with Council.

Staff grievances and complaints are monitored to determine whether targeted training or further action is needed.

Confidential staff surveys can also provide information to alert Council to areas of concern or which require awareness training or management coaching (see below).

2. Background/Issues

Council participated in the Victorian Auditor General's Office (VAGO) sexual harassment survey involving staff and councillors in June 2020. The results were provided to Council in December 2020, indicating no issues of concern. Council also conducted a staff survey in November 2020 which included questions on gender equality and diversity and inclusion. There were no areas for concern arising from the results of these surveys.

3. Audit and Risk Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Plan references:

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

32. Review processes for communicating Council's Employee Code of Conduct to Item employees and contractors and for monitoring compliance.

4. Financial Considerations

NA

5. Consultation/Public Submissions

NA

6. Risk Analysis

Risk which may be of a financial, legal or reputational nature is low as it is currently being appropriately managed.

7. Options

The Audit and Risk Committee can:

1. Recommend to Council that it note the report as per the recommendation.
2. Request further information if deemed necessary.

LIST OF APPENDICES

Nil

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021

Ms N Misurelli (Manager People & Culture) left the meeting at 12.34 pm

6.6 LOCAL GOVERNMENT ACT 2020 IMPLEMENTATION

Author: John Whitfield - Governance Coordinator
Presenter: John Whitfield - Governance Coordinator

PURPOSE OF REPORT

To update the Audit and Risk Committee on the implementation of the *Local Government Act 2020*

RECOMMENDATION:

That Council notes that the Committee have reviewed the report and that no further action is required.

Recommendation 6

Ms.Gregory/Cr Majdlik

That Council notes that the Audit and Risk Committee reviewed the report and that no further action is required (other than the action outlined in the report).

CARRIED

REPORT**1. Executive Summary**

The Local Government Act 2020 (the 2020 Act) commenced operation on 6 April 2020.

The provisions of 2020 Act become operational in stages.

Stage 1 - 6 April 2020

Stage 2 - 1 May 2020

Stage 3 - 24 October 2020

Stage 4 - 1 July 2021

Policies and other documents required by stage 2 have now all been met, with the Community Engagement Policy having been reviewed and adopted by Council on 8 February 2021 (due by 1 March 2021).

Policies and other documents required (either new or revised) pursuant to stages 3 and 4 may be summarised in the diagram further below, all of which are programmed to be completed within the timeframes set out in the Act – see **Appendix 1**.

2. Background/Issues

The Local Government Act 2020 commenced operation on 6 April 2020 (the 2020 Act).

The provisions of 2020 Act become operational in stages.

Stage 1 - 6 April 2020

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021

Stage 2 - 1 May 2020
Stage 3 - 24 October 2020
Stage 4 - 1 July 2021

Stage 1

No new policies or documents were required to be created pursuant to Stage 1.

Stage 2

Stage 2 implementation included the following:

- Delegations (changed requirements);
- Governance Rules (new requirement);
- Audit and Risk Committee (changed requirements - establishment and establishment of new Charter);
- Delegated Committee (changed requirements from special committees);
- Public Transparency Policy (new requirements);
- Community Engagement Policy (new requirements however Council had existing).

Policies and other documents required by stage 2 have all now been met with the Community Engagement Policy resolved upon by Council at its meeting on 8 February 2021.

Stages 3 and 4

Policies and other documents required (either new or revised) pursuant to stages 3 and 4 may be summarised in the following diagram, all of which are programmed to be completed within the timeframes set out in the Act – see **Appendix 1**.

The first main requirement of stage 3, the new Councillor Code of Conduct, was adopted by Council (by a two thirds majority as required by the Act) at its meeting held 8 February 2021 (due 24 February 2021).

Work on the Council Plan (including the Community Vision) is also well under way with a community survey now closed. A report on a draft Community Vision is in the agenda for the Council meeting to be held 10 May 2021. The Workforce Plan and Recruitment Policy are underway.

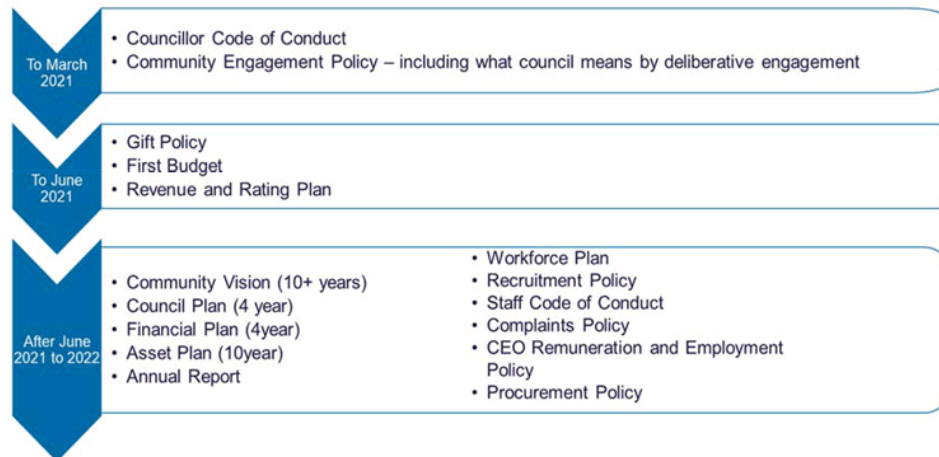
A draft Revenue & Rating Plan is currently out on exhibition with a view to its adoption on 7 June 2021.

Since the last Audit & Risk Committee meeting the Councillor Gift Policy was adopted by Council at its meeting held 15 March 2021. Also at this meeting the Mayoral & Councillor Allowances were adopted after the required public exhibition and submission process was concluded.

Other requirements arising out of stage 3, not specifically listed below, include changes to Personal Interest Returns and Summaries thereof. These changes have also now been implemented with the submissions of the first Biannual Personal Interest Returns occurring in March.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021



3. Audit and Risk Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Work Plan references:

41. Local Government Act 2020 Implementation

4. Financial Considerations

Not applicable.

5. Consultation/Public Submissions

All new policies and documents that are required to include input from the community have and will include that input. For example, the Governance Rules were publically advertised with feedback from the community sought.

Also, the Community Engagement Policy was drafted with input from the Community.

The Councillor Code of Conduct, on the other hand, is a document made by Councillors for Councillors and thus no community consultation was conducted.

Mayoral & Councillor Allowances were adopted on 15 March 2021 after the required public submission process was concluded.

6. Risk Analysis

Broadly speaking, on compliance with the Act risks reputational damage because of or in addition to an adverse finding by an oversight body.

The Act also contains various consequences for non-compliance which, depending upon the circumstances, may include, prosecution for an offence, misconduct, serious misconduct and gross misconduct.

7. Options

That Council seek further information from the officer on the Act's implementation.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

LIST OF APPENDICES

1. Local Government Act 2020 Implementation (May 2021)

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**6.7 REVIEW OF INTERNAL CONTROL ENVIRONMENT - ANNUAL REPORT ON KEY SYSTEMS AND CONTROLS****Author: John Whitfield - Governance Coordinator
Presenter: John Whitfield - Governance Coordinator****PURPOSE OF REPORT**

To provide an annual report to the Audit and Risk Committee on key systems and controls, any changes with same and any testing for compliance.

RECOMMENDATION:

That Council note that the Audit and Risk Committee has reviewed the report and that no further action is required.

Recommendation 7

Mr Mansoor/Ms.Gregory

That Council note that the Audit and Risk Committee has reviewed the report and that no further action is required.

CARRIED

REPORT**1. Executive Summary**

The Audit and Risk Committee Annual Work Plan for 2021 at Item 11 requires an annual report on key systems and controls, any changes with same and any testing for compliance.

This Internal Control Environment Work Plan requirement comes from the Audit and Risk Committee Charter; refer to Section D, Items 2, 3, and 4 of the Charter.

Council's key tool for managing legislative compliance is the system and tools provided by Reliansys software. The Reliansys compliance module offers a cloud based compliance management solution.

Reliansys handles legislative obligations under the *Local Government Act 1989*, the *Local Government Act 2020* and associated Regulations, the *Infringements Act 2006* and associated Regulations and Child Safe Standards. Obligations are assigned to a responsible officer for acknowledgement and a prompt to complete.

The Council has a second system for other legislation affected Victorian local government. Each quarter the Governance unit sends out a report advising each General Manager of the list of legislation (if any) in his/her directorate that has changed since the last quarterly report

General Managers acknowledge this information and disseminates the information to appropriate Council officers.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING**12 MAY 2021**

2. Background/Issues

The Audit and Risk Committee Charter sets out the Committee's functions and responsibilities, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

Section 10 of the Charter sets out the Committee's Duties and Responsibilities.

In regards to the Council's Internal Control Environment it says the committee will:

D. Internal Control Environment

1. *Review the adequacy and effectiveness of key policies, systems and controls for providing a sound internal control environment. This should be done on a rotational basis over a three to four year period;*
2. *Determine whether systems and controls are reviewed regularly and updated where required;*
3. *Monitor significant changes to systems and controls to assess whether those changes significantly impact Council's risk profile;*
4. *Ensure that a programme is in place to test compliance with systems and controls;*
5. *Assess whether the control environment is consistent with Council's Governance Principles.*

This report responds to items 2, 3 and 4 outlined above and meets the requirement of Item 11 in the Annual Work Plan for 2021.

Council's key tool for managing legislative compliance is the system and tools provided by Reliansys software. The Reliansys compliance module offers a cloud based compliance management solution.

Reliansys handles legislative obligations under the *Local Government Act 1989*, the *Local Government Act 2020* and associated Regulations, the *Infringements Act 2006* and associated Regulations and Child Safe Standards. Obligations are assigned to a responsible officer for acknowledgement and a prompt to complete.

The compliance module of Reliansys has a dashboard feature for overall monitoring of compliance action. It meets the ISO 19600 Compliance Management Systems Standard.

The use of the Reliansys compliance module features is slowly increasing. The next stage of roll-out is for officers to receive automated email reminders and an escalation email to be sent if a compliance obligation is overdue.

A large proportion of the obligations held in the Reliansys system are tagged as "Awareness" obligations. This means that there is not a specific action required by officers other than reading and noting the obligation. In this way, it refreshes an officer of his/her legislative responsibilities.

The second system that Council has for managing legislative compliance is for other legislation affected Victorian local government.

Each quarter the Governance unit sends out a report advising each General Manager and Executive Manager of the list of legislation (if any) in his/her directorate that has changed since the last quarterly report.

General Managers acknowledge this information and disseminates the information to appropriate Council officers.

This is a manual system – compared to the comprehensive system offered by Reliansys - and relies on officers to note changes in legislation that affects their area of operation.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**3. Audit and Risk Committee Annual Plan Reference**

The Melton City Council Audit and Risk Committee Annual Plan references:

11. Annual report on key systems and controls, any changes with same and any testing for compliance

4. Financial Considerations

There are no financial considerations in relation to this report.

5. Consultation/Public Submissions

No consultation was required in the preparation of this report.

6. Risk Analysis

The use of the Reliansys compliance module for key local government legislation - *Local Government Act 1989*, the *Local Government Act 2020* and associated Regulations, the *Infringements Act 2006* and associated Regulations and Child Safe Standards – is an effective tool for managing the risk of incurring a legislative breach.

It supports staff by providing a system to remind and prompt them of their respective legislative compliance obligations.

7. Options

The Audit and Risk Committee can recommend to Council that it:

1. Note the report and take no further action as per the recommendation;
2. Request further information/clarification if deemed necessary.

LIST OF APPENDICES

Nil

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**6.8 INVESTMENT HOLDING REPORT AS AT 31 MARCH 2021****Author: Sam Rumoro - Manager Finance
Presenter: Sam Rumoro - Manager Finance****PURPOSE OF REPORT**

To present the Investment Holding Report for the 9 months ended 31 March 2021 (the Report).

RECOMMENDATION:

That Council note that the Audit and Risk Committee reviewed the Report and that no further action is required.

Recommendation 8

Cr Majdlik/Mr Mansoor

That Council note that the Audit and Risk Committee reviewed the report and that no further action is required.

CARRIED

REPORT**1. Executive Summary**

This report outlines Council's investments, compliance to policy and performance of investments for 9 months ending 31 March 2021.

2. Background/Issues

This report provides a detailed analysis of Council's investments, including the amount invested within various institutions, compliance with investment policy and performance of investment portfolio against budget.

Council's total investment holding as at 31 March 2021 is \$331.42 million and YTD actual interest earned is \$1.53 million which is \$1.37 million unfavourable to budget. Unfavourable variance is due to unfavourable movement of rates on term deposits caused by cutting of cash rate by Reserve Bank and market conditions.

3. Audit and Risk Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Work Plan references:

6. Quarterly Investment Holdings Report

4. Financial Considerations

Note the performance of investments and compliance with Council's investment policy.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

5. Consultation/Public Submissions

N/A

6. Risk Analysis

There are no risks associated with the recommendations in this report.

7. Options

The Audit and Risk Committee can recommend to Council that it:

1. Note the report as per the recommendation;
2. Request further information/clarification if deemed necessary.

LIST OF APPENDICES

1. Investment Holdings Report as at 31 March 2021

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**6.9 FINANCE REPORT - PERIOD ENDED 31 MARCH 2021****Author: Sam Rumoro - Manager Finance
Presenter: Sam Rumoro - Manager Finance****PURPOSE OF REPORT**

To present the 2020/2021 Finance report for the 9 months ended 31 March 2021 (the Report).

RECOMMENDATION:

That Council notes that the Audit and Risk Committee has reviewed the Report and that no further action is required.

Recommendation 9

Ms Gregory/Mr Mansoor

That Council notes that the Audit and Risk Committee has reviewed the Report and that no further action is required.

CARRIED

REPORT**1. Executive Summary**

This monthly report compares 9 months ending 31 March 2021 YTD results with the approved budget for the same period. Report also outlines forecasted position.

2. Background/Issues

The operating surplus before transfers for the March 2021 YTD period was \$192.8 million. This compared with the profiled budgeted result of \$165.5 million resulting in a favourable variance of \$27.3 million.

The favourable result was due mainly to higher than anticipated supplementary rates growth, non-monetary contributions, grant income and lower than budget employee expenses and administrative expenses largely timing related.

Council is forecasting an underlying deficit (excluding land sales) of \$0.5 million which is \$8.0 million favourable to budget. This favourable variance is largely due to higher than anticipated statutory and user fees as well as supplementary rates income. Forecast higher expenditure is largely driven by higher operating grant income.

The actual capital expenditure completed at the end of March was \$44.5 million or 39.2% of the total budget.

Council's total cash position at the end of the March 2021 is \$342.4 million. This balance includes general and restricted investments representing carry forward expenditure, employee entitlements, and developer contributions received for future capital works. The working capital ratio for the YTD period is a healthy 1:7.4.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**3. Audit Committee and Risk Annual Plan Reference**

The Melton City Council Audit and Risk Committee Annual Work Plan references:

5. Review Quarterly Financial Management Reports

4. Financial Considerations

Note the underlying and operating result for the 9 months ending 31 March 2021 YTD results.

5. Consultation/Public Submissions

N/A.

6. Risk Analysis

Financial reporting will ensure Council's continued compliance with the legislative requirements.

7. Options

The Audit and Risk Committee:

1. Recommend to Council that it note the report;
2. Request further information/clarification if deemed necessary.

LIST OF APPENDICES

1. Finance Report 3rd Quarter Ended 31 March 2021

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021

Mr S Rumoro (Manager Finance) left the meeting at 12.58 pm

6.10 INTERNAL AUDIT STATUS REPORT INCLUDING THE ASSURANCE MAP UPDATE BRIEFING DOCUMENT AS AT MAY 2021

Author: Cheryl Santoro - Senior Administration Officer
Presenter: Kylie Maher – Internal Auditor

PURPOSE OF REPORT

To present the *Internal Audit Status Report* including the *Assurance Map update Briefing Document as at May 2021* (the Reports)

RECOMMENDATION:

That Council note that the Audit and Risk Committee reviewed the Reports and that no further action is required.

Recommendation 10

Cr Majdlik/Cr Shannon

That Council note that the Audit and Risk Committee reviewed the Reports and that no further action is required.

CARRIED

REPORT

1. Executive Summary

Attached at **Appendix 1** is the *Internal Audit Status report as at May 2021*.

The *Internal Audit Plan 2021 to 2023* is approved by the Audit and Risk Committee and reviewed on an annual basis in February. In addition, a progress report is presented to each meeting.

Also included at **Appendix 2** is the Internal Auditors *Assurance Map update Briefing Document* as at May 2021. This is a working document that the Internal Auditors will continue to maintain and capture assurance activities to provide for oversight and monitoring and to inform internal audit planning, priorities and focus areas.

2. Background/Issues

The *Annual Plan 2021* requires that the *Internal Audit Plan 2021 to 2023* is approved by the Audit and Risk Committee and reviewed on an annual basis in February and a progress report provided to each meeting.

Attached at **Appendix 1** is the *Internal Audit Status report* as at May 2021.

Attached at **Appendix 2** is the *Assurance Map update Briefing Document* as at May 2021.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021

The internal auditors will be in attendance at the meeting to answer any questions in relation to these Reports.

3. Audit Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Work Plan references:

19. Review status of delivery of annual Internal Audit Plan

4. Financial Considerations

A provision has been provided in this year's budget for Council's Internal Audit contract fees.

5. Consultation/Public Submissions

N/A

6. Risk Analysis

The *Internal Audit Plan 2021 to 2023* identifies the top seven strategic and corporate risks on page 2 of the Report.

7. Options

The Committee has the option to accept or seek further information from the internal auditors in relation to these Reports.

LIST OF APPENDICES

1. Internal Audit Status Report as at May 2021
2. Assurance Map update Briefing Document as at May 2021

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**6.11 DRAFT SCOPE FOR THE INTERNAL AUDIT OF THE INTEGRITY FRAMEWORK**

Author: Cheryl Santoro - Senior Administration Officer

Presenter: Kylie Maher – Internal Auditor

PURPOSE OF REPORT

To present the draft *Scope for the Internal Audit of the Integrity Framework*.

RECOMMENDATION:

That Council:

1. note that the Audit & Risk Committee reviewed the *Scope for the Internal Audit of the Integrity Framework*; and
2. approve the *Scope for the Internal Audit of the Integrity Framework*.

Recommendation 11

Ms Gregory/Cr Shannon

That Council:

1. note that the Audit and Risk Committee reviewed the *Scope for the Internal Audit of the Integrity Framework*; and
2. approve the *Scope for the Internal Audit of the Integrity Framework*.

CARRIED

REPORT**1. Executive Summary**

Internal audit scopes are presented to the Audit & Risk Committee in February, May, August, and November pursuant to the *Annual Work Plan 2021*.

The timing of each audit and corresponding report is determined by the approved *Internal Audit Plan 2021 to 2023*.

The *Scope for the Internal Audit of the Integrity Framework* is presented to the Audit & Risk Committee as **Appendix 1** as per that plan.

2. Background/Issues

Internal audit scopes are presented to the Audit & Risk Committee in February, May, August and November pursuant to the *Annual Work Plan for 2021*.

The timing of each audit and corresponding report is determined by the approved *Internal Audit Plan 2021 to 2023*.

The *Scope for the Internal Audit of the Integrity Framework* is presented to the Audit & Risk Committee as **Appendix 1** as per that plan.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021

The draft scope states the objective is, '*to consider the integrity framework in place at Melton City Council This internal audit will consider the design of key frameworks and controls to mitigate actual and perceived risks to integrity*'.

3. Audit and Risk Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Work Plan references:

20. Review scopes of proposed internal audit reviews

4. Financial Considerations

A provision has been provided in this year's budget for Council's Internal Audit contract fees.

5. Consultation/Public Submissions

Consultation will occur with relevant staff members throughout the review process of this internal audit review.

6. Risk Analysis

As noted on page 1 of the Scope:

"Integrity frameworks refers to controls that provide for mitigation of fraud, corruption, conflict, probity and ethical behaviour risks. This internal audit also responds to the IBAC and VAGO recommendations for investment in integrity by local government."

7. Options

The Committee has the option to recommend to Council that it accept the draft Scope (with or without the Committee's suggested amendments) or reject the draft Scope entirely.

LIST OF APPENDICES

1. Draft scope for the Internal Audit of the Integrity Framework

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**6.12 INTERNAL AUDIT REPORT ON CAPITAL PROJECTS FRAMEWORK****Author: Cheryl Santoro - Senior Administration Officer****Presenter: Kylie Maher – Internal Auditor****PURPOSE OF REPORT**

To present the Internal Audit Report, Capital Projects Framework ('The Report')

RECOMMENDATION:

That Council:

1. note that the Audit and Risk Committee reviewed the Report; and
2. note that 27 defined actions are to be achieved within the next 12 months.

Recommendation 12

Mr Mansoor/Ms Gregory

That Council:

1. note that the Audit and Risk Committee reviewed the Report; and
2. note that 27 defined actions are to be achieved within the next 12 months;
3. note that the Committee will monitor the implementation of these actions.

CARRIED

REPORT**1. Executive Summary**

Internal audit reports are presented to the Audit and Risk Committee in February, May, August and November pursuant to the *Annual Work Plan 2021*.

The timing of each audit and corresponding report is determined by the approved *Internal Audit Plan 2021 to 2023*.

According to that Plan the internal auditors conducted a review of the capital projects framework and the resulting Report dated May 2021 is attached at **Appendix 1**.

2. Background/Issues

Internal audit reports are presented to the Audit and Risk Committee in February, May, August and November pursuant to the *Annual Work Plan 2021*.

The timing of each audit and corresponding report is determined by the approved *Internal Audit Plan 2021 to 2023*. According to that Plan the internal auditors conducted a review of the capital projects framework.

The objective of the Audit was to assess whether the adequacy and effectiveness of policies, procedures and controls around accounts payable processes.

The Report dated May is attached at **Appendix 1**.

Page 34

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021

The current state of the project management framework maturity overall is considered Managed with a target state of Defined and Established agreed as priority for action over the next 12 months.

Outlined in section 4 of the report is an implementation roadmap and detailed recommendations with 27 defined actions to achieve within the next 12 months.

The internal auditors will be present at the meeting to answer any questions.

3. Audit Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Plan references:

21. Review reports on Internal Audit reviews

4. Financial Considerations

N/A.

5. Consultation/Public Submissions

Consultation occurred with relevant staff members throughout the process of this internal audit review. The Key Personnel Interviewed and workshop attendees are set out on page 49 of the Report.

6. Risk Analysis

The key risks associated with this report are set out within section 4 of the report.

7. Options

The Committee may accept, or request further information in relation to this report tabled by the Internal Auditors.

LIST OF APPENDICES

1. Internal Audit report on Capital Projects Framework

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**6.13 REVIEW OF COUNCIL'S FRAUD AND CORRUPTION PLAN**

Author: Cheryl Santoro - Senior Administration Officer
Presenter: Cheryl Santoro – Senior Administration Officer

PURPOSE OF REPORT

To present an update on Council's Fraud and Corruption Plan

RECOMMENDATION:

That Council note that the Audit and Risk Committee has reviewed the report and that no further action is required.

Recommendation 13

Ms Gregory/Cr Majdlik

That Council note that the Audit and Risk Committee reviewed the report and that no further action is required.

CARRIED

REPORT**1. Executive Summary**

One of the items listed within the Audit and Risk Committee Annual Work Plan for 2021 is the review of Council's Fraud and Corruption Plan including in relation to financial and non-financial controls. A progress report on Council's Fraud and Corruption Plan was tabled and presented at the 9 December 2020 Audit and Risk Committee meeting by Peter Doyle, Acting Risk and Performance Manager.

2. Background/Issues

Since the progress report on Council's Fraud and Corruption Plan tabled at the 9 December 2020 Audit and Risk Committee the following actions have occurred:

CROWE (Australasia) was engaged to deliver fraud and corruption awareness training to all staff:

Each session was 90 minutes and made up of three x 30 minute sections:

1. Section 1 - Introduction to fraud and corruption
2. Section 2 - Case study (break out rooms for selected topics, see below)
3. Section 3 - Q & A Panel.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

Day	Date	Time
Tuesday	9 February	10 am - 11.30 am
Thursday	11 February	10 am - 11.30 am
Tuesday	16 February	10 am - 11.30 am
Thursday	18 February	10 am - 11.30 am

Case studies

Within the training sessions CROWE reviewed a case study to gain deeper insight into fraud and corruption schemes. These will be conducted in breakout rooms and the topics offered are:

No.	Topic
1	Grants – Sport Rorts
2	Procurement – Cleaning Contract (V/Line)
3	Developer contributions – (Casey Council)
4	Red Flags for fraud and corruption

No further action on Council's fraud and corruption plan has taken place due to the following reasons.

The Manager of Risk & Performance resigned from Council on 13 October 2020. A decision was made to disband this department and redistribute the current staff members into various other departments within the organisation. As of 1 March 2021, the Risk component, which includes fraud and corruption, now sits within the Legal & Governance team. A new position was approved and a draft Position Description is currently being developed.

3. Audit and Risk Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Plan references:

16. Review Council's fraud and corruption plan including in relation to financial and non-financial controls

4. Financial Considerations

Operational expenses are accommodated within Council's recurrent budget

5. Consultation/Public Submissions

No consultation was required in the preparation of this report.

6. Risk Analysis

It is important to have a responsible Officer who can review and assess the impact of any changes on Council's risk profile, offering an assurance of effective risk management

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

practices across all of Council's activities and ensure that the current fraud and corruption plan is appropriate.

7. Options

The Audit and Risk Committee can recommend to Council that it:

1. Note the report and take no further action as per the recommendation;
2. Request further information/clarification if deemed necessary.

LIST OF APPENDICES

Nil

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**6.14 INTERNAL AUDIT RECOMMENDATION TRACKING REPORT FOR MAY 2021****Author: Cheryl Santoro - Senior Administration Officer**
Presenter: Cheryl Santoro - Senior Administration Officer**PURPOSE OF REPORT**To present the *Internal Audit Recommendation Tracking Report for May 2021* (the Report).**RECOMMENDATION:**

That Council note that the Audit and Risk Committee reviewed the Report and that no further action is required.

Recommendation 14

Ms Gregory/Mr Mansoor

That Council note that the Audit and Risk Committee reviewed the report and that no further action is required.

CARRIED

REPORT**1. Executive Summary**An updated report on the current status of recommendations emanating from Internal Audit reports is required to be presented to the Audit and Risk Committee pursuant to the *Annual Work Plan* for 2021.The Report is attached at **Appendix 1** for the Committee's consideration.**2. Background/Issues**

Council's internal auditors conduct planned audits.

In order to track and report on these audits and the resultant reports, the recommendations accepted by Council, upon the Audit and Risk Committee's recommendation, are recorded in Council's Risk Register.

Each internal audit recommendation is assigned an Action Owner. It is the responsibility of the Action Owner to action and report on the progress of addressing the recommendation.

Attached to this report at **Appendix 1** is the *Internal Audit Recommendation Tracking Report for May 2021*.

Recommendations shaded in green are those that have been completed since the last report to the Audit and Risk Committee.

3. Audit and Risk Committee Annual Plan Reference

The Melton City Council Audit and Risk Committee Annual Work Plan references:

23. Review progress by management on open audit recommendations

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**4. Financial Considerations**

Nil.

5. Consultation/Public Submissions

Nil.

6. Risk Analysis

Recommendations from each internal audit are recorded in Council's Risk Register for the attention of the respective action owners. Not all recommendations are associated with risk although many are. Nevertheless, the risk register is considered the best place to store and track this information.

Each audit report sets out the main risk and any other risks in relation to the findings and recommendations.

7. Options

The Audit and Risk Committee can:

1. Recommend to Council that it note the report as per the recommendation.
2. Request further information if deemed necessary.

LIST OF APPENDICES

1. Internal Audit Recommendation Tracking Report for May 2021

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

7. MEET WITH AUDITORS IN THE ABSENCE OF MANAGEMENT

N. Walker, external auditor and K. Maher, internal auditor, informed the Committee that a meeting was not required.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING12 MAY 2021**8. PUBLICATIONS****8.1 PUBLICATIONS**

- Victorian Auditor-General's Office, *Maintaining Local Roads* (March 2021)
- Victorian Auditor-General's Office, *Maintaining Local Roads – Roads data summary for Melton City Council* (March 2021)
- Victorian Auditor-General's Office, *Results of 2019-20 Audits: Local Government* (March 2021)

RECOMMENDATION:

That Council note that the Audit and Risk Committee reviewed the reports and that no further action is required.

OR

That Council recommend that the following publication(s) be the subject of a report back the Audit and Risk Committee.

Recommendation 15

Mr Tommasini/Cr Majdlik

That the Council recommend that the following publications be the subject of a report back to the Audit and Risk Committee addressing the recommendations within the following reports:

- Victorian Auditor-General's Office, *Maintaining Local Roads* (March 2021)
- Victorian Auditor-General's Office, *Results of 2019-20 Audits: Local Government* (March 2021)

CARRIED

LIST OF APPENDICES

1. Victorian Auditor-General's Office, *Maintaining Local Roads* (March 2021)
2. Victorian Auditor-General's Office, *Maintaining Local Roads - Roads data summary for Melton City Council* (March 2021)
3. Victorian Auditor-General's Office, *Results of 2019-20 Audits: Local Government* (March 2021)

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

9. OTHER MATTERS RAISED BY THE COMMITTEE

No matters were raised.

AUDIT AND RISK COMMITTEE MEETING

12 MAY 2021

10. CONFIDENTIAL BUSINESS

Nil.

11. NEXT MEETING

Wednesday 4 August 2021 at 12.00 pm.

12. CLOSE OF BUSINESS

The meeting closed at 1.31 pm.

Confirmed

Dated this

.....CHAIRPERSON