

Meeting	Minutes of Audit Committee					
Date	Monday 10 September 2018	Time	1.15pm (Committee met in committee at 1pm with internal and external auditor)	Duration:	2.0 hour meeting	Location: Meeting Room 2, Michael Place Leongatha.
Attendees	<p>Dr AJ (John) Purcell (Chair) Mr Homi Burjorjee Cr Lorraine Brunt (Mayor) Support Staff: Tim Tamlin: CEO, Bryan Sword: Director Development Services, Anthony Seabrook: Director Infrastructure, Vanessa Adams: Manager Innovation and Council Business, June Ernst: Coordinator of Corporate Planning and Council Business, Phil Dwyer: Manager People and Culture, Tracey Lindupp: Manager Finance, Risk and Procurement, Luke Anthony: Coordinator Risk and Procurement and Eve Hollole: Risk Coordinator. Internal Audit: Richmond, Sinnott and Delahunty (RSD): Kathie Teasdale, Engagement Partner. External Audit: Tim Loughnan, Director Financial Audit and Kevin Chan, Audit Manager, Victorian Auditor General's Office (VAGO) for Item 5.1.</p>					
Apologies	Dr Irene Irvine, Cr. Ray Argento, Cr. Don Hill, Faith Page					
In Committee Section	Committee met In Committee to consider confidential matters.					
Disclosures of Interest	<p>Dr Irvine as a member of South Gippsland Water Board, Walkerville Foreshore Committee and Walkerville Residents Association. Dr Purcell as member of Baw Baw Shire, Banyule City, Knox City and Wyndham City Councils' Audit Committees. Mr Homi Burjorjee as member of City of Casey, Cardinia Shire Council, Ararat Rural City Council, Bass Coast Shire Council and Office of Public Prosecutions Audit Committees.</p>					
Confirmation of report of previous meeting	<p>Committee approved report of the Audit Committee meeting held on 18 June 18. Moved: Cr. Brunt Seconded: Mr. Burjoree</p>					
Advise of possible breaches of legislation	Committee advised of a minor privacy data breach involving the inadvertent disclosure of the contractual information of a panel contractor to a third party. All affected parties were notified and Council determined that the breach was low risk.					

Agenda Item	Responsible	Comment / Action
1. Financial and Performance Reports		
1.1 Financial Performance Report Financial Performance Report: Jul 18 - Aug 18 2017/18 Capital Works InfoSum Briefing dated 3 September 2018	Coordinator of Corporate Planning and Council Business, Innovation and Council Business Director Infrastructure Manager Finance	Committee noted and discussed the following reports: Financial Performance Report: Jul 18 - Aug 18. Moved: Cr. Brunt Seconded: Mr. Burjoree 2017/18 Capital Works InfoSum Briefing dated 3 September 2018. Moved: Cr. Brunt Seconded: Mr. Burjoree Committee received a verbal report from the Manager Finance regarding the increase in outstanding rates. Moved: Cr. Brunt Seconded: Mr. Burjoree
1.2 Performance report (non-financial) Performance (non – financial) report: Jul 17 - Jun18	Coordinator of Corporate Planning and Council Business, Innovation and Council Business	Committee noted and discussed the Performance (Non – Financial) Report: Jul 17-Jun 18 presented in the Draft Annual Report.
1.3 Local Government Performance Reporting (LGPRF) LGPRF Report Jul 17 - Jun 18	Coordinator of Corporate Planning and Council Business, Innovation and Council Business	Committee noted and discussed end of year LGPRF Report: Jul 17 - Jun 18 LGPRF.
2. Internal Control System		
2.1 Internal Control System	Coordinator Risk & Procurement	Committee noted report not due until Nov 18.
3. Risk Management		
3.1 Strategic Risk Committee (SRC) Minutes Strategic Risk Committee Minutes: 31 July 18	Coordinator Risk	Committee noted and approved report. Moved: Cr. Brunt Seconded: Mr. Burjoree
3.2 Quarterly report from a Director / Director Corporate and Community Services	CEO	Committee received a verbal report from the CEO on relevant risks from the Strategic Risk Register and requested an update on Council's compliance with Victorian Child Safe Standards at the Nov 19 meeting. Moved: Cr. Brunt Seconded: Mr. Burjoree
3.3 Business Continuity Business Continuity Report	Coordinator Risk and Procurement	Committee discussed and approved report. Moved: Mr. Burjoree Seconded: Cr. Brunt
3.4: Insurance Insurance Report	Coordinator Risk and Procurement	Committee discussed and approved report. Moved: Cr. Brunt Seconded: Mr. Burjoree
3.5. Penetration Testing - IT IT Penetration Test Report	Manager Innovation and Council Business, Information Systems	Committee discussed and approved report. Committee recommended Council consider conducting penetration testing on a biennial basis. Moved: Cr. Brunt Seconded: Mr. Burjoree
4. Internal Audit		

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4.1 Planned Internal Audits Internal Audit Report Payroll and HR Audit Report Internal Audit Scope: Caravan Parks – Review of Income and Cash Receipting Controls	Coordinator Risk	Committee discussed and approved reports: Internal Audit Report Moved: Mr. Burjoree Seconded: Cr. Brunt Action: Management and RSD to agree on the audit projects for 2019/20 and report back to the Committee at the 19 Nov meeting. Payroll and HR Audit Report Moved: Cr. Brunt Seconded: Mr. Burjoree Action: Committee to receive a verbal report from the Manager People and Culture as to how changes to files are tracked and approved at the Nov 19 meeting. Internal Audit Scope: Caravan Parks – Review of Income and Cash Receipting Controls Moved: Mr. Burjoree Seconded: Cr. Brunt
4.2 Internal Recommendation Implementation: consider status of implementation of internal audit recommendations and agreed action plans.	Coordinator Risk	Committee noted SRC decision to further delay the reporting of progress of High and Medium Internal Audit Actions until 19 Nov 18 to allow time to enter data and update these actions into a new electronic system (Reliansys). Committee further noted that an additional resource has been allocated to assist with this task.
4.3 Internal Audit Plan: set next FY audit plan 2019/20 3 Year Internal Audit Plan	Coordinator Risk	Committee noted the Internal Audit Plan for 2018/19 was set at 5 June 2017 Audit Committee Meeting. Committee further noted the SRC recommendations from the list of Additional Projects an Audit Program for 2019/20 (see above at 4.1).
4.4 Internal Audit Function Review	Coordinator Risk	Committee noted that the annual surveys will be distributed to members in mid-September and the results reported to the Committee at the 19 Nov meeting.
4.5 Internal Audit Function Independence Internal Auditor Independence Letter	Coordinator Risk	Committee discussed and approved letter of independence from RSD.
5. External Audit		

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5.1 VAGO Interim Management Report VAGO Financial Management Letter VAGO Closing Report for Year End 30 June 2018 Draft Management Representation Letter for Year End 30 June 2018	VAGO	Committee noted and approved the following reports subject to minor edits: VAGO Financial Management Letter Moved: Cr. Brunt Seconded: Mr. Burjoree VAGO Closing Report for Year End 30 June 2018 Moved: Cr. Brunt Seconded: Mr. Burjoree Draft Management Representation Letter for Year End 30 June 2018 Moved: Mr. Burjoree Seconded: Cr. Brunt Action: Committee to receive a verbal report from the Manager Finance as to how Council values land under roads at the 19 November meeting. Action: Committee to receive a progress report on Land-fill provisioning to include aftercare costs at the 19 November meeting.
5.2 Annual Report Review Draft Annual Report 2017/18 LGPRF End of Year Results		Committee discussed and approved Draft Annual Report 2017/18 subject to minor edits: Committee discussed and approved LGPRF End of Year Results: Moved: Mr. Burjoree Seconded: Cr. Brunt Committee received a verbal report from the Director Infrastructure on the reasons for the increase in the per meter cost of sealed road reconstruction. Moved: Cr. Brunt Seconded: Mr. Burjoree
6. Compliance and ethics		
6.1 Legislative Compliance Legislative Compliance and Ethics Program Report	Coordinator Risk and Procurement	Committee discussed and approved report. Moved: Cr. Brunt Seconded: Mr. Burjoree
6.2 Protected Disclosure Report	Coordinator Risk and Procurement	Committee noted and approved report presented in Draft Annual Report.
6.3 Regulatory Updates: keep informed of findings of any examinations by regulatory agencies. Regulatory Reports	Coordinator Risk and Procurement	Committee discussed and approved report. Moved: Cr. Brunt Seconded: Mr. Burjoree
7. Policies		

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7.1 Policy Review Schedule and Policy Reviews Policy Review Schedule	Coordinator Risk and Procurement	Committee discussed and approved report. Committee recommended that a Top 10 Policy Implementation Report be presented to the Nov 19 meeting. Moved: Cr. Brunt Seconded: Mr. Burjoree
8. Reporting responsibilities		
8.1 Audit Committee reports regularly to Council	Coordinator Risk	Committee noted 18 June 18 Minutes were reported to Council at the 25 July ordinary Meeting of Council.
8.2 Audit Chair Annual Report to Council Draft Audit Chair Annual Report to Council	Audit Chair	Committee noted draft Audit Chair Annual briefing to Council which is scheduled for 12 December 2018.
9. General		
9.1 Audit Committee Meeting Dates 2019	Coordinator Risk and Procurement	Committee approved the following meeting dates for 2019: Tuesday 12 March 2019; Tuesday 11 June 2019; Monday 9 September 2019; and Monday 9 December 2019, commencing at 1.00pm in Leongatha.
9.2 Independent Committee Membership	Coordinator Risk	Committee noted applications closed for the Independent Member Vacancy on 29 August with interviews scheduled for 8 October with a view to Council appointing at Dec 18 Council meeting and the new appointment attending first meeting in 2019.
9. General Business		
Committee commended the Finance Team and Manager Finance, Risk and Procurement for their excellent work in finalising the External Audit.		
10. Close / Next meetings: 19 Nov 2018.		