

Meeting	Record of Audit Committee					
Date	Monday 5 June 2017	Time	1.15pm (Committee met in committee at 1.00pm with internal and external auditor)	Duration:	2 hour meeting	Location: Meeting Room 2, Council Chambers, Michael Place, Leongatha
Attendees	<p>Dr Irene Irvine (Chair) Dr John (AJ) Purcell Mr Homi Burjorjee Cr Ray Argento (Mayor) Cr Lorraine Brunt</p> <p>Support Staff: Bryan Sword: Acting CEO, Faith Page: Director Corporate & Community Services, Tom Lovass: Manager Finance, Risk and Procurement, John Moylan: Manager Engineering and Projects, Luke Anthony: Coordinator Risk and Procurement and Eve Hollole: Risk Coordinator.</p> <p>Internal Audit: Richmond, Sinnott and Delahunty (RSD): Kathie Teasdale, Audit Partner.</p> <p>External Audit: Sanchu Chummar, Senior Manager Financial Audit, Victorian Audit Generals Office (VAGO).</p> <p>The Committee welcomed Faith Page.</p>					
Apologies	Tim Tamlin: CEO, Anthony Seabrook: Director Sustainable Communities and Infrastructure					
In Committee Section	Committee met with internal auditor (RSD) and external auditor (VAGO).					
Disclosures of Interest	<p>Dr Irvine as a member of South Gippsland Water, Walkerville Foreshore Committee and Walkerville Residents Association.</p> <p>Dr Purcell as member of Baw Baw Shire, Bayside City and Banyule City Audit Committees.</p> <p>Homi Burjorjee as member of City of Casey, City of Whittlesea, Cardinia Shire Council, Ararat Rural City Council and Office of Public Prosecutions Audit Committees.</p>					
Confirmation of report of previous meeting	Committee approved report of the Audit Committee meeting held on 3 April 2017.					
Advise of possible breaches of legislation/compliance	Nil to report					

Agenda Item	Responsible	Comment / Action
1. Financial and Performance Reports		
1.1 Financial Performance Report	Manager Finance	Committee noted Jul 16 – Feb 17 report: Item 4.1.1 to the 22 March 17 Council Meeting Agenda. Action: to either provide the Quarterly financial report to Audit Committee prior to presentation to Council or the most recent monthly financial report to the Committee.
1.2 Performance report (non-financial)	Director Corporate and Community Services	Committee noted Jan – Mar 17 report: Item 4.01.1 to the 24 May 17 Council Meeting Agenda.
1.3 Local Government Performance Reporting Framework	Director Corporate and Corporate Services	Committee noted LGPRF Report July – March 2017 Action: to inquire into food service complaint response times to determine if response times are correct and appropriate.
2. Internal Control System		
2.1 Policy Reviews	Coordinator Risk and Procurement	Committee noted Leasing Policy and associated delegations. Action: review Leasing Policy and present to Sept 17 meeting considering: <ul style="list-style-type: none"> • Leases from Council to third parties: extension option process and authorisation and reference to property insurance arrangements. • Leases from third parties to Council: authorisation to enter into or extend operating leases process and delegations.
3. Risk Management		
3.1 Risk Management Systems	Coordinator Risk	Committee noted Risk Management (Shared Services) Business Plan 2017/18.
3.2 Risk Profile and Register	Coordinator Risk	Committee noted newly developed Strategic Risk Register. Action: to provide risk trends and a covering report advising of risks that have been added or removed from the Strategic Risk Register.
3.3 Strategic Risk Committee (SRC) Minutes	Coordinator Risk	Committee noted SRC minutes from 2 May 2017.
3.4 Quarterly report from a Director / CEO Direct Report	Director Sustainable Communities and Infrastructure	Committee received report from John Moylan on strategic and operational risks relating to Sustainable Communities and Infrastructure Directorate.

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4. Internal Audit		
4.1 Planned Internal Audits	Coordinator Risk and Procurement	<p>Committee discussed the following reports:</p> <ul style="list-style-type: none"> • Asset Management and Road Maintenance / Inspections Audit Report: the Committee commended the teams on the audit outcome. • Councillor Expenditure and Code of Conduct Audit: requested that Internal Auditors consider sunset clauses for expense claims within the audit scope. • Draft Audit Scope Maternal and Child Health and Immunisation: noting the audit date would be delayed until later in the year due to staff / auditor availability. <ul style="list-style-type: none"> ○ Action: update the scope to better reflect that the audit is a functional departmental audit (staffing / budget / turnover / OHS / compliance etc.) and to provide a risk description for relevant risks to be reviewed and approved by the Committee via e-mail.
4.2 Internal Audit Plan	Coordinator Risk and Procurement	<p>Committee agreed on the 2017/18 Internal Audit Plan:</p> <ul style="list-style-type: none"> • Maternal and Child Health and Immunisation: timing TBC. • Statutory Planning, Building Planning and Local Laws Compliance and Enforcement: late October 2017. • Procurement and Tendering: February 2018. • Waste Water Management Plan: April 2018. <p>Action: provide Mr. Burjorjee spreadsheet from the 2016 Risk Review.</p>
4.3 Internal Audit Recommendation Implementation	Coordinator Risk and Procurement	Committee noted report on progress towards achieving Audit recommendations from previous audits.
5. External Audit		
5.1 External Auditor Interim Management Letter	VAGO	<p>Committee received report from VAGO on Interim Management Letter and noted recommendations and no issues of significance. The Committee also noted a report from Management on progress towards related party transaction disclosure compliance.</p> <p>Action: VAGO to review Item 2.5 observation and recommendation considering the existing controls to manage quality of LGPRF data.</p>

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6. Reporting responsibilities		
6.1 Audit Committee reports regularly to Council	Coordinator Risk and Procurement	Committee noted 3 Apr 17 Minutes reported to Council on 24 May 17.
7. General Business		
Committee received verbal report on vandalism at Leongatha Recreation Reserve 7 May 2017.		
8. Close / Next meetings: Monday 11 September 2017 and Monday 4 December 2017.		