Meeting	Minutes of Audit Committee					
Date	Monday 5 Time February 2018	1.15pm (Committee met in committee at 1.00pm with internal and external auditor)	Duration:	2.0 hour meeting	Location:	Meeting Room 2, Michael Place Leongatha.
Attendees		or) age: Acting CEO, Bryan Sword: D Acting Manager Finance, Risk an				
	Internal Audit: Richmo	nd, Sinnott and Delahunty (RSD): ughnan, Director and Engagemer				e (VAGO) for Item 5.1.
Apologies	Tim Tamlin: CEO					
In Committee Section	Committee met with internal auditor (RSD) and external auditor (VAGO).					
Disclosures of Interest	Dr Irvine as a member of South Gippsland Water, 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.					
Confirmation of report of previous meeting	Committee approved report of the Audit Committee meeting 4 Dec 17, subject to management considering and reporting back to the Committee on: a) Whether Council will be participating in IBAC's independent "Perception of Corruption" survey; and b) A recommendation on the frequency Internal Audit Actions are to be presented to the Committee. Moved: Cr. Argento Seconded: Dr. Irvine.					
Advise of possible breaches of legislation	Committee noted that the provision of confidential information to a third party in relation to the Bald Hills Windfarm litigation is currently under investigation.					

Agenda Item	Responsible	Comment / Action
1. Financial and Performance Reports	•	
1.1 Financial Performance Report Financial Performance Report: Jul – Dec 17 Draft Budget 18/19	Manager Finance	Committee discussed and approved the following reports: Financial Performance Report: Jul – Dec 17 Moved: Cr. Brunt Seconded: Mr Burjorjee Draft Budget 18/19 Moved: Cr. Argento Seconded: Mr Burjorjee
1.2 Performance report (non-financial) Performance (non – financial) report: Jul–Dec 17	Director Corporate and Community Services	Committee discussed and approved the Performance (Non – Financial) Report: Jul-Dec 17 Moved: Cr. Brunt Seconded: Mr Burjorjee
1.3 Local Government Performance Reporting (LGPRF) LGPRF Report Jul – Dec 17	Director Corporate and Community Services	Committee discussed and approved the LGPRF Report Jul – Dec 17 Moved: Dr. Irvine Seconded: Mr Burjorjee Action: Committee recommended a one page summary be included for future reports which highlights key issues and / or concerns.
2. Internal Control System		
2.1 Internal Control System	Coordinator Risk	Committee noted report not due until Nov 18.
3. Risk Management		
3.1 Strategic Risk Committee (SRC) Minutes	Coordinator Risk	Committee noted that it received the SRC minutes from 31 Oct 17 at the 4 Dec 17 meeting and the next SRC is to be held 20 Mar 18.
3.2 Quarterly report from a Director / CEO Direct Report Director Infrastructure Risk Report	Director Infrastructure	Committee received a report from Director Infrastructure on relevant risks from the Strategic Risk Register. Moved: Cr. Brunt Seconded: Mr Burjorjee
3.3 OHS Trends and Annual Leave Balance	Manager People & Culture	Committee noted report delayed to June 18 meeting.
4. Internal Audit		
4.1 Planned Internal Audits Internal Audit Report Letter to Councillors: Councillor Expenditure and Code of Conduct Audit Statutory Planning, Building Planning and Local Laws Compliance and Enforcement Audit Report. Procurement Review (in2Project Management) Draft Payroll and HR Audit Scope	Coordinator Risk	Committee discussed and approved the following reports: Internal Audit Report Moved: Cr. Brunt Seconded: Mr Burjorjee Letter to Councillors: Councillor Expenditure and Code of Conduct Audit Moved: Cr. Brunt Seconded: Dr. Irvine Action: Committee recommended the letter be re-circulated to all Councillors following previous distribution via Exec Update 20 Dec 17. Statutory Planning, Building Planning and Local Laws Compliance and Enforcement Audit Report. Moved: Cr. Brunt Seconded: Mr Burjorjee

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		 Action: Committee requested a briefing of Council, CEO and Department Policies, including how these documents are reviewed. This will occur at the 10 Sept 18 meeting when the Policy schedule is next scheduled to be presented to the Committee. Procurement Review: Committee noted this report and that management are in the process of considering the report. Moved: Cr. Brunt Seconded: Dr. Irvine Action: Committee requested a follow up report at the June 18 meeting regarding management actions planned. Draft Payroll and HR Audit Scope
		Moved: Cr. Argento Seconded: Mr Burjorjee
4.2 Internal Audit Plan: set next FY audit plan 3 - Year Internal Audit Plan	Coordinator Risk	Committee noted and discussed Draft Internal Audit Plan for 18/19prior to finalisation at Jun 18 meeting, noting a recommendation tobring forward Audit 11: Payroll and HR from Feb 19 to April 18.Committee noted that in relation to the development of the 3 YearInternal Audit Plan, benchmarking with other GLGNs was carried outas a component of the Q1 Risk Management Audit.Moved: Dr. IrvineSeconded: Mr BurjorjeeAction: Committee recommended management consider PenetrationTesting and Community Grants for inclusion in the Program and reportback to June 18 meeting and advise whether Penetration Testing wasincluded in the IT Controls Audit in 2013.
5. External Audit	÷	
5.1 External auditor proposed audit scope / strategy Proposed External Audit Scope/Strategy 2018/19	VAGO	Committee approved Proposed External Audit Scope / Strategy 2018/19, noting it will be updated to reflect Payroll / HR Internal Audit. Moved: Cr. Brunt Seconded: Dr. Irvine
6. Compliance and ethics	1	
6.1 Legislative Compliance: Local Government Act s186 Tender Thresholds Report Local Government Act Review Exposure Draft Bill Report	Coordinator Risk and Procurement	Committee provided feedback on Local Government Act s186 Tender Thresholds Report to indicate a non-compliance may not have occurred on the basis that the additional services were not reasonably foreseeable. Moved: Dr. Irvine Seconded: Mr Burjorjee Committee noted the report on the Local Government Act Review will be discussed at a Council Briefing on 7 February 2018.
		will be discussed at a Council Briefing on 7 February 2018.Moved: Dr. IrvineSeconded: Cr. Brunt



Agenda Item	Responsible	Comment / Action
6.2 Regulatory Updates: keep informed of findings of	Coordinator Risk and	Committee discussed and approved the Regulatory Inquiry Gap
examinations by regulatory agencies.	Procurement	Analysis Report outlining which Regulatory Inquiries the Committee
Regulatory Inquiry Gap Analysis Report		has received reports on and outlined future reports to be received.
		Moved: Cr. Brunt Seconded: Dr. Irene Irvine
7. Reporting responsibilities		
7.1 Audit Committee reports regularly to Council	Coordinator Risk	Committee noted:
		• 11 Sept 17 Minutes: received but not endorsed by Council on 20
		Dec 17; and
		• 4 Dec 17 Minutes will be reported to Council on 28 Feb 18.
8. General	· · · · · · · · · · · · · · · · · · ·	
8.1 Committee Chair 2018	Committee	Committee noted it will be recommended to Council to appoint Dr.
		Purcell as Audit Chair for 2018 at the 28 Feb 18 Council Meeting.
8.2 Independent Committee Membership	Coordinator Risk	Committee noted:
		• Dr John (AJ) Purcell: was appointed for a second and final three
		year term to commence on 25 Feb 18 and conclude on 24 Feb 21 at the 20 Dec 17 Council Meeting.
		• Dr Irene Irvine: final three year term concludes on 30 Nov 18.
		Vacancy: advertising to fill Dr. Irvine's vacancy will commence in
		Jul 18 with a view to Council appointing at Sept Council meeting
		and the new appointment attending first meeting in 2019.
8.3 Audit Committee Charter	Coordinator Risk	Committee discussed and approved recommended changes to the
Draft Audit Committee Charter		Draft Audit Committee Charter without amendment.
		Moved: Cr. Brunt Seconded: Mr Burjorjee
9. General Business	•	
 Close / Next meetings: 4 June 2018, 10 September 20 	18 and 19 November 2018.	