

# AUDIT AND RISK COMMITTEE MINUTES

8:00 – 10:30am Friday 25 November 2022

Function room (Civic Centre) and via Zoom

<b>Audit and Risk Committee</b>	
Andrew Dix	Independent Chair
Katie Baldwin	Independent Member
John Watson	Independent Member (via ZOOM)
Councillor Tina Samardzija	Audit and Risk Committee Member

<b>Other Attendees</b>	
Andi Diamond	Chief Executive Officer
Danny Wain	Chief Financial Officer
Jarrold Doake	Director City Services– departed 8:45am
Peter Panagakos	Director City Development (via ZOOM) – arrived 8:20am
Tracy Shoshan	Executive Manager People & Safety (via ZOOM)
Kate Heissenbuttel	Manager Corporate Performance
Greg Talbot	Manager Community Amenity -arrived 9:10am
Lee Kibeiks	Manager Safety & Wellbeing- departed 9:19am
Paul Grobler	Manager Business Technology- departed 9:10am
Jason Farrugia	Manager Strategic Procurement- arrived 9:10am
Fiona Fernandes	Coordinator Business Assurance
Andrew Zavitsanos	Partner - Risk Consulting Crowe

## 1 Opening of meeting /procedural

### 1.1 Apologies and congratulations to new Mayor, Councillor Tina Samardzija

Apologies:

- Cr Geoff Lake
- Mark Peters – Partner – HLB Mann Judd – External Auditor
- Yanthi Nilam – Manager Finance – City of Monash
- Cynthia Iafano - Senior Manager - Audit Crowe

The Chair officially congratulated Cr Samardzija on her newly appointed Mayoral role of Council.

### 1.2 Disclosure of any conflict of interest

None disclosed.

### 1.3 Confirmation of minutes as circulated, meeting of 08 September 2022

Audit and Risk Committee resolution:

The minutes of the Audit and Risk Committee meeting of 8 September 2022 be accepted.

**Moved:** Katie Baldwin / John Watson. Carried

### 1.4 Matters arising

It was noted that all current open actions are either to be completed in the current meeting or are scheduled for completion at future meetings.

Audit and Risk Committee resolution:

The Committee noted the report.

## 1.5 CEO briefing

CEO, Andi Diamond, presented an update to the Committee on several matters including an update on legacy landfills, Enterprise Bargaining Agreement, a significant incident in a Council car park, and the cancellation of the major Christmas Carols event.

Director City Services, Jarrod Doake, also provided an update on work done to mitigate flooding risk for our stormwater pits prior to extreme weather events and the communication with the Department of Transport pits during flash flooding events.

### Audit and Risk Committee resolution:

The Committee noted the briefing.

## 2 Risk management / ethical behaviour

### 2.1 Risk update

Kate Heissenbuttel, Manager Corporate Performance, briefed the Committee on the quarter's Strategic Risk updates and work undertaken by the team in the risk management space over the last few months.

### Audit and Risk Committee resolution:

The Committee noted the report.

### 2.2 Strategic Risk Report

Kate Heissenbuttel, Manager Corporate Performance, briefed the Committee on the quarter's updates.

Discussion occurred on the relevance and suitability of Council endorsing the strategic risk register, and feedback on the presentation of information so more pertinent issues are evident.

**Action:** The Committee requested management consider ways to integrate material operating risks into the register for ARC and Council attention, and reconsider the likelihood and consequence tables to ensure final risk classifications are appropriate.

**[Kate Heissenbuttel]**

### Audit and Risk Committee resolution:

The Committee noted the report.

### 2.3 Cyber Risk update

Paul Grobler, Manager Business Technology briefed the Committee on work done at Council in the cyber risk sphere.

**Action:** The Committee recommended that management put together a dashboard report on key cyber indicators and bring it to a future meeting. The Committee also asked that a self-assessment on the checklist from the "Cyber Security Governance

Principles” article from the Australian Institute of Company Directors be brought to the March committee meeting [Paul Grobler]

Audit and Risk Committee resolution:

The Committee noted the report.

## **2.4 People and Safety Dashboard Report**

Lee Kibeiks, Manager Safety and Wellbeing, presented to the Committee the results of the year ended 30 June 2022 workforce management/health and safety indicators. The dashboard report was well received by the Committee and congratulated management on the program of works.

**Action:** The Committee asked that future people and safety reports include statistics on insurance claims (public liability claims and vehicle accident claims) [Lee Kibeiks]

Audit and Risk Committee resolution:

The Committee noted the report.

## **3 Internal audit**

### **3.1 Delivery of the 2022/2023 Internal Audit Plan**

Andrew Zavitsanos, Partner, at Crowe provided the Committee with the status update on the current Internal Audit Activity in accordance with the 2022/23 Plan. Crowe identified that the Plan was on track.

During discussion about the upcoming Monash Gallery of Art audit, the committee asked Crowe to also increase the scope to review some operational controls around protection of works and lending of works to and from the Gallery.

### **3.2 Summary of open recommendations**

Fiona Fernandes, Coordinator Business Assurance, presented the report, highlighting that since the last meeting the total number of open actions items has increased by 4 to 41 (previously 37 items).

**Action:** The Committee requested that the Governance and Legal team provide and update on the status of internal audit actions from the Privacy and Data protection audit at the March meeting. [Rob Pedder]

### **3.3 Food Act - Management of Compliance Review (Crowe)**

In October 2022, a review was undertaken of the adequacy of the various processes and procedures surrounding the management of Council’s responsibilities under the Food Act 1984. The internal audit assessed the adequacy of Council’s method and systems associated with the management of the Food Act.

The review found the current controls in place over management of compliance with the Food Act maintained by Council can be further strengthened. The report

identified five Medium and three Low rated findings. The details of the findings and actions to be taken is articulated in the report.

*Audit and Risk Committee resolution:*

The Committee noted the report tabled and the management actions outlined in the report.

## **4 Compliance management**

### **4.1 Annual status report on Legislative Compliance - 30 September 2022**

Management provided update on Council’s Legislative Compliance and the 2022 annual attestation process.

*Audit and Risk Committee resolution:*

The Committee noted the report.

## **5 Executive Briefings**

### **5.1 Presentation by Senior Officers**

The presentation on Strategic Risk #3 “Compliance with Legislation, Regulation and Policy” by the owner of this Strategic Risk- Jarrod Doake, Director City Services was delayed for presentation to the March meeting.

## **6 Governance**

### **6.1 ARC six monthly activity report to Council**

The Chair presented a report that comprises the six-monthly update on the Committee’s activities and provide any findings and recommendations in relation to the functions of the Committee.

This report was tabled to members for noting and will be forwarded to the CEO and Council and the next Council meeting.

The committee members requested that a summary table of the status of internal audit actions be included in the report.

**Action:** The Committee requested management confirm with reference to the Charter whether the committee should confirm the minutes (via email) prior to sending to council [[Fiona Fernandes](#)].

*Audit and Risk Committee resolution:*

The Committee noted the report and forwards it to the Chief Executive Officer to table at the January 2023 Council meeting.

**Moved:** Katie Baldwin / John Watson. Carried

## **6.2 ARC self-assessment survey results**

The Chair informed the attendees that the results of the survey were included in the briefing paper. Discussion took place on the observations and learnings from the survey.

**Action:** The Chair indicated that he is willing to present to Council at a future Council Strategy meeting in early 2023 on the committees' activities. Management will liaise with the Chair on some potential dates. [\[Andrew Dix/Danny Wain\]](#)

### *Audit and Risk Committee resolution:*

The Committee noted the report.

## **6.3 Contract variations review**

Jason Farrugia, Manager Strategic Procurement, briefed the committee on some proposed changes to the contracts variations process following consultation with Capital Works, Managers, Governance and Legal and the Executive Leadership Team. The variation process was reviewed by Crowe and will be going to a future Council meeting.

### *Audit and Risk Committee resolution:*

The Committee noted the report.

## **6.4 Identification of any “Confidential” items discussed during the meeting**

None identified.

## **7 Internal control environment**

### **7.1 Review of key items - Business Continuity Policy**

Jason Farrugia, Manager Strategic Procurement, briefed the committee on changes to the Business Continuity Policy as part of the regular review cycle of the policy.

### *Audit and Risk Committee resolution:*

The Committee noted the report.

## **8 Other business**

### **8.1 Recruitment of independent member**

A briefing paper was presented to the committee on Council's decision to reappoint Mr Andrew Dix as Independent Chair and Mr John Watson as an Independent member of Council's Audit & Risk Committee for a three year period ending 30 June 2026 and commence the advertising, recruitment and selection process for appointment of an Independent Chairperson member from 1 July 2023.

The committee congratulated Fiona Fernandes on her new role and expressed their thanks and appreciation for the great job she has performed in supporting this Committee for the past 8 years.

Audit and Risk Committee resolution:

The Committee noted the report.

## **9 Meeting schedule**

### **9.1 Confirmed meeting schedule for 2023**

The following meeting dates were confirmed by members:

- 7 March 2023, 8.00 - 10.30 am
- 13 June 2023, 8.00 - 10.30 am
- 15 August 2023, 8.00 - 10.30 am
- 24 November 2023, 8.00 - 10.30 am

### **Documents for noting**

Audit and Risk Committee resolution:

The Committee noted the following documents supplied as part of the meeting information:

- ARC Annual Work Plan [Opening of Meeting / Procedural]
- Approval of Review Scopes [Internal Audit]
- Risk Management Committee October minutes [Internal Control Environment]
- Draft Quarterly Finance Report [Financial and External Reporting]

### **9.2 Meeting closed at 10:10 AM**

CONFIRMED:

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ANDREW DIX

Chair

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

### **Distribution list:**

1. Audit and Risk Committee
2. Executive Leadership Team
3. Meeting attendees