

# AUDIT & RISK COMMITTEE MINUTES

8:00 – 10:30am Tuesday 07 December 2021

Online meeting via ZOOM

<b>Audit &amp; Risk Committee</b>	
Andrew Dix	Independent Chair
Katie Baldwin	Independent Member
John Watson	Independent Member
Councillor Geoff Lake	Audit & Risk Committee Member
Councillor Tina Samardzija	Audit & Risk Committee Member

<b>Other Attendees</b>	
Andi Diamond	Chief Executive Officer
Danny Wain	Chief Financial Officer
Jarrold Doake	Chief Operating Officer
Ross Goeman	Manager Corporate Performance
Leanne Wiebenga	Executive Manager People & Safety
Russell Hopkins	Director Community Services
Yanthi Nilam	Manager Finance
Paul Grobler	Manager Business Technology
Tracy Shoshan	Workplace Relations Manager
Fiona Fernandes	Coordinator Business Assurance
Sharon Tzimokas	Coordinator Risk & Insurance
Lee Kibeiks	Safety & Wellbeing Lead
Martin Thompson	Senior Partner - Audit and Assurance Crowe
Lynda Cooper	Manager - Risk Consulting Crowe
Mark Peters	Partner – HLB Mann Judd – External Auditor
Cr Stuart James	Mayor - Observer

## 1.1 Apologies & Welcome to new External Auditors (HLB Mann Judd)

Apologies – Lynda Cooper (Crowe)

Mark Peters acknowledged the welcome and gave the committee a brief introduction about the work HLB Judd does in the local government space.

## 1.2 Disclosure of any Conflict of Interest

None disclosed

## 1.3 Confirmation of minutes as circulated – 10 August 2021

### Recommendation:

The minutes of the Audit & Risk Committee meeting of 10 August 2021 be accepted.

**Moved:** John Watson / Katie Baldwin. 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. The Chair informed that item 5.1 relating to Curious Eye Publication could be closed off based on information in today's pack regarding the way forward.

**Recommendation:**

The Committee notes the report.

**1.5 CEO Briefing**

CEO, Andi Diamond, presented an update to the Committee on several matters including an update on Covid and the impact on council's workforce, legacy landfills and the Commonwealth Support program and its implications for Monash.

**Recommendation:**

The Committee noted the Briefing.

**2 Risk Management / Ethical Behaviour**

**2.1 Risk Update (Ross Goeman)**

Management briefed the Committee on proposed Outcome Focused Key Performance Indicators to support the elevation of Risk Management to support Council to achieve its goals and objectives. An update was also provided to the Committee on the progress of the Risk Matrix review, results of a recent Risk Management survey from staff and the subsequent series of online seminars provided to staff by an external consultant.

There was discussion amongst the members about Council's Risk Tolerance and Appetite levels. Management to prepare a way forward for the introduction of risk appetite and tolerance into the risk framework and to involve and get Council input into risk discussions on an ongoing basis.

**Recommendation:**

The Committee noted the update.

**2.2 Strategic Risk Report (Ross Goeman)**

The Strategic Risk Report for the 4<sup>th</sup> Quarter of 2020/21 was provided to the Committee.

**Recommendation:**

The Committee noted the report.

**2.3 Cyber Risk Update (Paul Grobler)**

Paul Grobler provided the Committee with an update on Council's management of cyber-security and the people processes in place to prevent/mitigate Cyber-attacks and how Council reviews these controls on a regular basis.

**Recommendation:**

The Committee noted the update.

#### **2.4 P&S Dashboard Report (Leanne Wiebenga/Lee Kibeiks)**

Management briefed the Committee on the full 2020/21 year of the People & Safety Dashboard Report as well as a supplementary report for Q1 2021/2022.

##### **Recommendation:**

The Committee noted the Report.

### **3 Internal Audit**

#### **3.1 Status of Delivery of the 2021/2022 Internal Audit Plan (Crowe)**

Crowe provided the Committee with the status update on the current Internal Audit Activity in accordance with the 2021/22 Plan. Crowe identified some Key Performance Indicators that will be measured against following the conclusion of future audits. They also mentioned that the Curious Eyes publication would be shared with management on a timely basis to enable them to comment on any relevant publications against Council practices.

#### **3.2 Summary of Open Recommendations (Fiona Fernandes)**

The report highlighted that since the last meeting the total number of open actions items have decreased by 4 to 26 (previously 30 items).

#### **3.3 OH&S Review (Crowe)**

In June 2021, a review was undertaken on Council's Occupational Health & Safety (OHS) processes, as they relate to employees, to assess whether the controls and procedures are operating satisfactorily.

The report was initially tabled at the August Audit Committee meeting. However there were concerns from members with the contextual information in the report mismatching the findings and recommendations. Following numerous discussions between Crowe, management and Committee members, the final report is now presented to the Committee with support from management.

#### **3.4 Local Government Act 2020 Implementation & Legislative Compliance Review (Crowe)**

In October 2021, a review was undertaken to assess the adequacy of the various processes that have been put in place to manage legislative compliance for both new and existing legislation.

The internal audit identified three Medium Risk controls that should be implemented and / or improved in order to reduce the identified weaknesses and exposures in the audit. The full report is attached for review.

##### **Recommendation:**

The Committee noted the Audit reports tabled and the management actions outlined in the reports.

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

### **3.5 Internal Audit Contract Management (Ross Goeman)**

Management provided the Committee members with an update on discussions between management and Crowe on the management of the IA contract going forward including Post Audit Surveys, KPIs and monthly meetings. Reporting on KPI's and post audit surveys to commence from the first meeting in 2022.

## **4 Compliance Management**

### **4.1 Annual status report on Legislative Compliance - 30 Sept 2021 (Ross Goeman)**

Management provided update on Council's Legislative Compliance and the second annual attestation process.

## **5 Executive Briefings**

### **5.1 Presentation by Senior Officers (Russell Hopkins)**

A presentation on Strategic Risk #9 "Advocacy for and representing community needs" was given to the Committee by the owner of this Strategic Risk- Russell Hopkins, Director Community Services.

## **6 Governance**

### **6.1 ARC six monthly activity report to Council (The Chair)**

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.

**Action:** Management to include a reference to the relevant section of the Local Government Act in the recommended action of the briefing paper [\[Fiona Fernandes\]](#)

#### **Recommendation:**

The Committee noted the report and forwards it to the Chief Executive Officer to table at the January 2022 Council meeting.

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

### **6.2 ARC self-assessment survey results (The Chair)**

The Chair informed the attendees that the results of the survey were included in the briefing paper and that the Committee members were meeting at the conclusion of the meeting to consider improvement opportunities for future activities.

### **6.3 Identification of any "Confidential" items discussed during the meeting**

None identified.

**7 Meeting Schedule**

The Following meeting dates were confirmed by members:

- 1 March 2022, 8.00 - 10.30 am
- 14 June 2022, 8.00 - 10.30 am
- 9 August 2022, 8.00 - 10.30 am

**8 Meeting Closed at 10:10 AM**

**9 Other Business - Invitation to Crowe to meet separately with Audit & Risk Committee members**

Following the close of meeting, the members of the Committee met with the Internal Auditors – Martin Thompson & Lynda Cooper from Crowe to discuss any issues that needed to be raised in the absence of management.

**Information Only**

- ARC Annual Work Plan [Opening of Meeting / Procedural]
- Quarterly Finance Report [Financial & External Reporting]
- Approval of Review Scopes [Internal Audit]
- Review of key items- Debtor Management Policy [Internal Control Environment]
- Risk Management Committee minutes – June, August & October meetings [Internal Control Environment]
- Integrated Plans: *Community Vision, Council Plan, Asset Plan & Financial Plan* [Other Business]

**Recommendation:**

The Committee noted the above reports.

CONFIRMED:



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ANDREW DIX

Chair

Date: \_\_01\_\_ / \_\_03\_\_ / 2022\_\_

**Distribution List:**

Audit & Risk Committee  
Meeting Attendees  
Executive Leadership Team