

7.3.2 AUDIT AND RISK COMMITTEE MEETING MINUTES SEPTEMBER 2024

Responsible Manager:	Kate Heissenbuttel, Manager Corporate Performance
Responsible Director:	Simone Wickes, Director Corporate Services

RECOMMENDATION

That Council:

- 1. Notes the unconfirmed minutes of the 12 September 2024 Audit and Risk Committee (the Committee); and**
- 2. Notes that the minutes will be confirmed by the Chair of the Committee at the next Committee meeting, and any substantive changes to the unconfirmed minutes to be reported to the next Council possible meeting.**

INTRODUCTION

The purpose of this paper is to recommend that Council notes the unconfirmed minutes of the 12 September 2024 Audit and Risk Committee (the Committee) and that, the minutes will be confirmed by the Chair of the Committee at the next Committee meeting, and any substantive changes to the unconfirmed minutes will be reported to the next possible Council meeting.

COUNCIL PLAN STRATEGIC OBJECTIVES

Good Governance

Maintain the highest standards of good governance.

BACKGROUND

The [Audit and Risk Committee](#) is made up of three independent members and two Councillors. There is an [Audit and Risk Committee Charter](#) (Charter) that provides scope to the Committee. The Charter, requires that the unconfirmed minutes of each Audit and Risk Committee meeting be reported to Council within two months of the relevant meeting. Receiving the unconfirmed minutes ensures Council receives timely advice and guidance rather than waiting for the Committee to confirm the minutes at its next meeting, which typically is three months later.

DISCUSSION

The Audit and Risk Committee Chair approved the 12 September 2024 Committee minutes on 25 September 2024. They have been shared with all committee members. The unconfirmed minutes of the meeting are attached to this report.

FINANCIAL IMPLICATIONS

There are no financial implications to this report.

POLICY IMPLICATIONS

There are no policy implications to this report.

CONSULTATION

Community consultation was not required.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a 'policy', 'program' or 'service'.

CONCLUSION

The Audit and Risk Committee recommends that the unconfirmed minutes of its meeting held on 12 September 2024 be noted by Council. The minutes will be confirmed by the Committee at its next meeting with any substantive changes reported to the next Council meeting.

ATTACHMENT LIST

1. Audit and Risk Committee Meeting Minutes September 24 [7.3.2.1 - 10 pages]



AUDIT AND RISK COMMITTEE

12 SEPTEMBER 2024

MEETING MINUTES





AUDIT AND RISK COMMITTEE MINUTES

08:00 – 10.30 AM THURSDAY 12 SEPTEMBER 2024

FUNCTION ROOM (CIVIC CENTRE) AND VIA ZOOM

Audit and Risk Committee	
Andrew Dix	Independent Chair
Binda Gokhale	Independent Member
John Watson	Independent Member
Cnr Geoff Lake	Audit and Risk Committee Member (online)
Cnr Tina Samardzija	Audit and Risk Committee Member

Other Invitees	
Russell Hopkins	Acting Chief Executive Officer
Simone Wickes	Director Corporate Services
Peter Panagakos	Director City Development left after item 1.5
Rachel Berhang	Manager Talent and Organisational Development left after item 4.4 (online)
Kate Heissenbuttel	Manager Corporate Performance
Yanthi Nilam	Manager Finance
Hirosha De Costa	Coordinator Management Accounting left after item 4.5
Philip Mason	Coordinator Management Accounting left after item 4.5
Amanda Sapolu	Manager Governance and Legal left after item 4.3
Adil Khan	Chief Information Officer left after item 7.2
Fiona Fernandes	Coordinator Corporate Planning
Rebecca Freebody	Coordinator Business Assurance and Risk Management (online)
Richard Wilson	Client Director Aster Advisory
Graham Noriskin	Executive Director Aster Advisory
Zachary Sapoznikoff	Manager Aster Advisory
Mark Peters	Partner- HLB Mann Judd- External Auditor left after item 4.6 (online)

Tania Yeung	HLB Mann Judd – External Auditor left after item 4.6 (online)
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1 Opening of Meeting/Procedural

1.1 Apologies

- Councillor Tina Samardzija - Audit and Risk Committee Member
- Yanthi Nilam- Manager Finance

1.2 Disclosure of Conflicts of Interest

None disclosed.

1.3 Confirmation of Minutes - (13/06)

Audit and Risk Committee Resolution

The minutes of the Audit and Risk Committee meeting of 13th June 2024 be accepted.

Moved: John Watson / Binda Gokhale. Carried

1.4 Matters Arising

It was noted that all current open actions are either 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 paper

Russell Hopkins, Acting CEO, and Peter Panagakos, Director City Development, provided an update on the following items:

- Central Carpark and Glen Waverley activity centre
- Audit and Risk Meeting Thursday 12 September 2024 Minutes

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- Suburban Rail Loop
- State Government release of draft Plan Victoria, including housing targets
- Council elections
- Legacy landfill

Audit and Risk Committee Resolution

The Committee noted the report.

1.6 Annual Work Plan 24/25

The Committee discussed the report and noted no significant changes to last year.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: The Committee recommended that management add to the workplan, the items requested by VAGO in relation to asset valuation at year end. Specifically;

- prior to balance date, review the finance team's accounting paper
- after balance date and at the time of reviewing the draft financial report:
- determine whether there have been any changes to circumstances that would indicate that key assumptions behind the finance team's initial advice and key judgements no longer hold true
- assess the reasonableness of the valuation and fair value assessment outcomes.
- update their annual work plan to include the above tasks.

The Committee also recommended that management colour code when items are complete or outstanding.

[Officer]: Kate Heissenbuttel, Manager Corporate Performance , and Rebecca Freebody Coordinator Business Assurance and Risk Management to update the workplan.

2 Risk Management/Ethical Behaviour

2.1 Risk update including Strategic Risk Report

Manager Corporate Performance provided an update to the Committee, highlighting the changes made to Strategic Risk 2 (Workforce Talent Attraction and Retention) in light of a post COVID economy.

The Committee discussed the importance of presenting to Council the Strategic Risk Register, suggesting to provide a report to Council on an annual basis. In addition, the Committee discussed the importance of defining Council's role in reviewing and approving the register and risk appetite.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: The Committee requested a preparation and sharing to the Committee and Council the planned annual cycle, by which Council are involved in the overall risk approval process.

[Officer]: Kate Heissenbuttel, Manager Corporate Performance, to action.

3 External Audit

3.1 Closing Report

Mark Peters, Partner at HLB Mann Judd, advised that they were satisfied with Council's Financial Report and Performance Statement. HLB Mann Judd advised that all outstanding matters are being dealt with satisfactorily and, subject to final quality checks, they will be recommending the Auditor-General issue a clear audit opinion.

Audit and Risk Committee Resolution

The Committee noted the report.

3.2 Final Management Letter

The Committee confirmed the presence of the Final Management Letter and considers it reviewed.

Audit and Risk Committee Resolution

The Committee noted the report.

4 External Reporting

4.1 Annual Financial Statements

Director Corporate Services, Simone Wickes, and Hirosha De Costa, Coordinator Financial Accounting, presented the 2023/24 draft Annual financial Report to the Committee along with

explanatory notes as supplementary guidance to Council's 2023/24 Financial Statements providing an insight to:

- the purpose of each element of financial report;
- any material issues that have affected the financial performance of Council; and
- the draft 2023/24 Financial Statement and Performance Statements.

The Committee noted small typographical errors in 3.7 and 6.3.

The Committee acknowledged the work by all officers involved and the auditors in bringing the 23/24 year accounts and statements to this very satisfactory conclusion.

Audit and Risk Committee Resolution

The Committee noted the report and moved a resolution for items 4.1 and 4.2 (at end of 4.2).

4.2 2023/24 Annual Performance Statement and Governance and Management Checklist

Fiona Fernandes Coordinator Corporate Planning presented the Committee with the draft 2023/24 Performance Statement and the preliminary recommendation made by the External Auditor.

The Committee discussed the benefits of adding context around the percentages detailed in the management commentary.

Audit and Risk Committee Resolution

The Committee recommends that Council:

- Endorses the draft 2023/24 Financial Statements and Annual Performance Statements, subject to resolution of any outstanding audit issues and minor amendments including; any non-material changes arising from completion of the audit, and material changes arising from the completion of audit procedures after consulting the Audit and Risk Committee Chair and reporting these to the Council.
- Recommends that Council, at its meeting scheduled for 24 September 2024, adopts the Statements "in principle" and forwards the Statements to the Auditor-General for certification.

Moved: John Watson / Binda Gokhale. Carried

4.3 Public Liability Insurance Claim Update

Amanda Sapolu, Manager Governance and Legal, presented the 2023/24 substantial public liability insurance data.

Audit and Risk Committee Resolution

The Committee noted the report.

4.4 LGPRF 2023/24 results

Fiona Fernandes Coordinator Corporate Planning presented the Committee with the 2023/24 LGPRF results.

Audit and Risk Committee Resolution

The Committee noted the report.

4.5 Audit Committee 2023-2024 Annual Report

Kate Heissenbittel, Manager Corporate Performance, presented the draft Audit and Risk Committee report for inclusion in Council's 2022/23 Annual Report. The report outlined the membership structure, performance and key activities for the year.

Audit and Risk Committee Resolution

The Committee noted the report and supported its inclusion in Council's 2023/24 Annual Report.

4.6 Invitation to HLB Mann Judd to meet separately with Audit & Risk Committee members

The Committee members met separately with the HLB Mann Judd without management's presence. This was facilitated prior to approving the resolutions outlined in 2.1.

5 Internal Audit

5.1 Open audit recommendation status update

Rebecca Freebody, Coordinator Risk Management and Business Assurance, presented the report to the Committee, highlighting that since the last meeting the total number of open actions items has reduced from 29 to 15. Additionally, the number of overdue audit actions have remained the same, with one overdue action being closed out, and one overdue action arising.

Audit and Risk Committee Resolution

The Committee noted the report.

5.2 Strategic and Annual Internal Audit Plan

Aster Advisory presented to the Committee the Business Function Risk Assurance Map (BFRAM) and the four-year Strategic Internal Audit Plan (SIAP) for the City of Monash. The Committee commended the significant body of work. The Committee discussed the importance of second line defence assessment in all scopes.

Audit and Risk Committee Resolution

The Committee noted the report.

The Committee endorsed year one of the Internal Audits, subject to change on an annual basis.

Moved: John Watson / Binda Gokhale. Carried

6 Internal Control Environment

7 Executive Briefings

7.1 Lessons learnt- Third Party Cyber Breaches

Adil Khan, Chief Information Officer provided a high level briefing on lessons learnt regarding third party cyber breaches.

Audit and Risk Committee Resolution

The Committee noted the report.

7.2 Presentation from Senior Officers; Strategic Risk #8 'Cyber Security breach to Council's core systems and applications'

Simone Wickes, Director Corporate Services, provided information on the cyber security strategic risk (Strategic Risk 8). This included the proactive rather than reactive approach, having the right personnel in place to support and protect the organisation. Discussion on the risk expanding to cover third party non digital areas.

Audit and Risk Committee Resolution

The Committee noted the report.

8 Integrity Body Reports

9 Governance

10 Other Business

11 Meeting Schedule **

11.1 Confirmed Meeting Schedule for 2024

The next meeting is scheduled for 16 December 2024

2025 Audit and Risk Committee dates to be confirmed post-election. Tentative 2025 dates are as follows;

- 13 March 2025
- 12 June 2025
- 11 September 2025
- 27 November 2025

12 Meeting Close

The meeting was closed at 10.18am.

Confirmed by Chair (Mr Andrew Dix):

Date: _____

1. Operation Sandon - Review of Recommendations [**13.1.1** - 41 pages]
2. Monash Fraud and Corruption Prevention Steering Committee Minutes July 2024 [**13.1.2** - 2 pages]
3. Fraud and Corruption Prevention Steering Committee TOR Revised August 2024 [**13.1.3** - 3 pages]



4. MINUTES Risk Management Committee August 2024 [**13.1.4** - 2 pages]
5. Digital Technology Steering Committee - Minutes 27 August 2024 [**13.1.5** - 4 pages]

