



AUDIT AND RISK COMMITTEE

14 MARCH 2024

MEETING MINUTES

AUDIT AND RISK COMMITTEE MINUTES

08:00 – 10.30 AM THURSDAY 14 MARCH 2024

FUNCTION ROOM (CIVIC CENTRE) AND VIA ZOOM

Attendance

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

Other Attendees	
Peter Panagakos	Acting Chief Executive Officer
Simone Wickes	Director Corporate Services
Jarrold Doake	Director City Services - Left 9.10am after item 5.2
Kate Heissenbuttel	Manager Corporate Performance
Adil Kahn	Chief Information Officer - Left 9.15am after item 5.4
Russell Hopkins	Director Community Services (online)
Darcy Logan	Manager Workplace Relations and Safety - Left 8.45am after item 2.1
Jason Farrugia	Manager Strategic Procurement - Left 9.25am before confidential item
Amanda Sapolu	Manager Governance and Legal - Left 9.10am after item 5.2
Catherine Sherwin	Manager City Planning - Joined 8.30am, left 9.08am after item 4.3
Yanthi Nilam	Manager Finance - Left 9.25am before confidential item
Catherine Chen	Coordinator Business Assurance and Risk Management
Rebecca Freebody	Risk Officer
Andrew Zavitsanos	Partner- Risk Consulting Crowe (online) - Left 9.25am before confidential item
Mark Peters	Partner- HLB Mann Judd- External Auditor (online) - Left 8.50am after item 4.2

Tania Yeung	Manager - HLB Mann Judd- External Auditor – (online) - Left 8.50am after item 4.2
-------------	---

1 Opening of Meeting/Procedural

1.1 Apologies

Apologies

- Cnr Geoff Lake (Audit and Risk Committee Member)
- Dr Andi Diamond (CEO)
- Tracy Shoshan (Executive Manager People and Safety)
- Philip Mason (Coordinator Management Accounting)

1.2 Disclosure of Conflicts of Interest

None disclosed

1.3 Confirmation of Minutes - (24 November 2023)

Audit and Risk Committee Resolution

The minutes of the Audit and Risk Committee meeting of 24 November 2023 be accepted.

Moved: Binda Gokhale / John Watson. 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.

[Action]: The Committee requested that item 2.3 and item 3.1 remain open and further updates be provided at June 2024 meeting. Manager Corporate Performance to update the above in the Matter Arising paper for June Meeting.

[Officer]: Kate Heissenbuttel Manager Corporate Performance

1.5 CEO Briefing

Peter Panagakos (Acting CEO), alongside Jarrod Doake (Director City Services), Jason Farrugia (Manager Strategic Procurement) and Darcy Logan (Manager Workplace Relations and Safety) , provided an update on the following;

- Fair Jobs Code
- Annual budget process
- Severe Storm event in February

Audit and Risk Committee Resolution

The Committee noted the report.

2 Risk Management/Ethical Behaviour

2.1 Risk update including Strategic Risk Review

Kate Heissenbuttel, Manager Corporate Performance, provided an update on the work undertaken in the risk management space for the reporting period. This included the review of strategic risks, review of top operational risks as well as the discussion at the last Risk Management Committee meeting. The Committee were provided an update on the deferment of the scheduled risk appetite workshop with Councillors to April 2024, due to the unforeseen consequences of the severe storm Monash experienced; the rescheduling will impact the timing of review the Council's Enterprise Risk Management and Opportunity Framework.

The Committee were presented with a review of emerging risks to Monash as requested from the November committee meeting. With regards to the identified #1 emerging risk (climate related reporting risk), the Committee advised of potential impact beyond just reporting, but also the related and the ability to support claims and actions (likely impact on strategic risk 6).

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: Manager Corporate Performance to conduct further risk reviews regarding the emerging risk of climate change.

[Officer]: Kate Heissenbuttel, Manager Corporate Performance.

3 External Audit

3.1 HLB MANN JUDD External Audit Strategy and Plan

Mark Peters, HLB Mann Judd, provided the Committee with an update and overview of the planned audit approach to the annual audit of the financial report and performance statement of Monash City Council.

The Audit Strategy Memorandum was discussed, particularly the timing.

Audit and Risk Committee Resolution

The Committee noted the report.

4 Internal Audit

4.1 Status of Delivery of 2023/24 Annual Plan

Andrew Zavitsanos, Partner at Crowe, provided the Committee with a status update on the current internal audit activities in accordance with the 2023/24 Plan. Crowe advised that Statutory Planning audit has been completed with the final audit report made available to March 2024 ARC meeting. Andrew advised that the Payroll, GST Compliance, Immunization Management and Recruitment and Selection Practices are in progress or near completion, with final audit reports to be made available to June 2024 ARC meeting.

Given a number of internal audits are to be presented at the June meeting, the Chair requested to extend the June meeting, for another half an hour to allow the discussion.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: Manager Corporate Performance to extend the June meeting by 30 mins.

[Officer]: Kate Heissenbuttel, Manager Corporate Performance

4.2 Summary of Open Recommendations

Catherine Chen, 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 increased slightly from 32 to 30. This is a result of five (5) new actions arising from a finalised audit report and 7 items being closed out. Additionally, the number of overdue audit actions have increase from 6 to 10.

Chair commented that all overdue actions are due to be completed/close to completion by next meeting, which is positive.

Audit and Risk Committee Resolution

The Committee noted the report.

4.3 Internal Audit- Statutory Planning

In October 2023, an internal audit was undertaken to assess the adequacy of various processes and procedures for the Management of Statutory Planning at the City of Monash.

The audit found that the current controls over of Statutory Planning processes can be further strengthened with 3 moderate and 2 low risk rated findings identified.

The Committee discussed the management response to one of the audit recommendations regarding the Councillors' involvement in statutory planning process.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: Corporate Governance and Legal to provide an update at the June Audit and Risk Committee meeting on the proposed management actions following the review of Operation Sandon report.

[Officer]: Amanda Sapolu, Manager Corporate Governance and Legal

5 Internal Control Environment

5.1 Reporting of CEO expenses

Kate Heissenbittel, Manager Corporate Performance provided a breakdown of the Chief Executive Officer's (CEO) expenditure for the period of January to December 2023, in accordance with the recommendations of the *VAGO Fraud and Corruption Control - Local Government (June 2019)* report.

No comments were to be had.

Audit and Risk Committee Resolution

The Committee noted the report.

5.2 Annual Legislative Compliance Update

Amanda Sapolu, Manager Corporate Governance & Legal, provided the committee with a review of the compliance actions allocated to their area to consider whether the Council complies, partially complies or does not comply.

Of the 137 that Council officers have assessed as partially complies, the officer commentary suggests a conservative approach to the assessment. That is, Council does have mechanisms in place to comply with the obligations but is taking steps to strengthen or improve those mechanisms.

Council is satisfied that its obligations under legislation are being appropriately managed.

Audit and Risk Committee Resolution

The Committee noted the report.

5.3 Disaster Recovery Plan and Testing Update

Adil Khan, Chief Information Officer provided the committee an update on the City of Monash's bi-annual disaster recovery (DR) test in 2023.

The committee complimented the report and results.

Audit and Risk Committee Resolution

The Committee noted the report.

5.4 Asset Accounting Policy Update

Yanthi Nilam, Manager Finance, provided the Committee with an update on the Asset Accounting Policies - Accounting for Property, Infrastructure, Plant and Equipment and Asset Disposal.

The Committee recommended clarifying the policy of purchased assets upon staff departure.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: Manager Finance to provide a verbal update at the June ARC meeting.

[Officer]: Yanthi Nilam, Manager Finance.

6 Executive Briefings

6.1 Update on Market-Led Approach Process

Jason Farrugia, Manager Strategic Procurement, provided an update on clarifying the controls and processes in place to deal with a market-led approach as requested from the November 2023 ARC meeting.

A briefing paper was presented with key policies and Monash's procedures outlined.

The Committee recommended management undertake a review against the State Government Policy.

Audit and Risk Committee Resolution

The Committee noted the report.

[Action]: Manager Strategic Procurement to review the State Government Policy on the Market Led approach to ensure consistency.

[Officer]: Jason Farrugia, Manager Strategic Procurement.

7 Integrity Body Reports

7.1 Self-assessment report against VAGO report - Contractors and Consultants in the Victorian Public Service: Spending

Jason Farrugia, Manager Strategic Procurement, provided the Committee with an evaluation of Monash's policies, processes, controls against key findings in the *Contractors and Consultants in the Victorian Public Service: Spending* report by the Victoria Auditor General's Office (VAGO), tabled on 29 November 2023.

A summary of the self assessment against each of the VAGO recommendations was presented as well as a briefing paper.

Audit and Risk Committee Resolution

The Committee noted the report.

8 Governance

8.1 Identify any confidential items for separate minuting

None disclosed.

9 Other Business

9.1 Update on Internal Auditor Tender Process - Confidential

Kate Heissenbuttel, Manager Corporate Performance, provided an update to the Committee on the upcoming internal audit tender process. She advised that interviews will be conducted with the selected tenderers on Monday 18th March 2024, with a view to present to council in April, the selected internal auditor.

Audit and Risk Committee Resolution

The Committee noted the report.

The Committee also mentioned the departure of Catherine Chen from her role at Council and expressed their appreciation for the work she has done in supporting this Committee during her stay at Council.

10 Meeting Schedule

10.1 Confirmed Meeting Schedule for 2024

13 June 2024 & 12 September 2024

11 Meeting Close


The meeting was closed at 9.38am.

Confirmed by Chair (Mr Andrew Dix):

1. ARC Workplan 2023 24 [**12.1.1** - 4 pages]
2. Monash GST Compliance MAP v3 0 [**12.1.2** - 6 pages]
3. Monash Payroll MAP v Final [**12.1.3** - 7 pages]
4. Monash Recruitment and Selection Practices MAP V Final [**12.1.4** - 6 pages]
5. Monash Immunisation Management MAP v2 0 [**12.1.5** - 6 pages]
6. MINUTES Risk Management Committee Feb 2024-final [**12.1.6** - 4 pages]
7. Monash Fraud and Corruption Prevention Steering Committee Minutes Feb 2024 [**12.1.7** - 4 pages]
8. Digital Technology Steering Committee - Minutes 27-02-24 (final) [**12.1.8** - 3 pages]
9. 2023-24 Financial Management and Capital Works Progress Report - Oct to Dec 2023 [**12.1.9** - 30 pages]
10. LGPRF 2022-23 Comparisons [**12.1.10** - 18 pages]
11. Disaster Recovery Plan-Final-Clean [**12.1.11** - 38 pages]
12. Disaster Recovery Test Report Nov 2023 v 2_-_signed [**12.1.12** - 19 pages]
13. Accounting for Property Infrastructure Plant and Equipment – Final Version- Clean [**12.1.13** - 46 pages]
14. Asset Disposal Policy- Final Version- Clean [**12.1.14** - 12 pages]

[Action]: The Committee also advised that in regards to the Fraud and Corruption Prevention Steering Committee, that it might be relevant to start to include a metric scorecard for the Committee, in order to help keep the Committee informed.

[Officer]: Kate Heissenbuttel Manager Corporate Performance



[Action]: The Committee also advised that in regards to the IT steering committee meeting minutes, to clarify the actions as opposed to the comments made, by the Independent member.

[Officer]: **Simone Wickes, Director Corporate Services**