

AUDIT & RISK COMMITTEE MINUTES

8:00 – 10:00am Tuesday 5 December, 2017
Meetings Rooms 1&2, Ground Floor, Civic Centre

Audit & Risk Committee	
Geoff Harry	Independent Chair
Bev Excell	Independent Member
Katie Baldwin	Independent Member
Councillor Paul Klisaris (Mayor)	Audit & Risk Committee Member
Councillor Geoff Lake	Audit & Risk Committee Member
Other Attendees	
Andi Diamond	Chief Executive Officer
Danny Wain	Chief Financial Officer
Jarrold Doake	Chief Operating Officer
Ross Goeman	Manager Corporate Performance
Fiona Fernandes	Coordinator Business Assurance
Julie Salomon	Director Community Development & Services
Ossie Martinz	Director Infrastructure
Leanne Wiebenga	Executive Manager, People and Culture
Angela Hughes	Manager City Planning
Jenny Draschl	Acting, Corporate OH&S Coordinator
Sharon Tzimokas	Coordinator Risk Management & Insurance
Maria Isabella	Coordinator Corporate Performance & Reporting
Natalie James	Director Pitcher Partners – Internal Auditor

1 Opening of Meeting / Procedural

1.1 Apologies

Tim Loughnan (VAGO)
Peter Panagakos
Delwen Granville
Graham Noriskin
Hirosha De Costa

1.2 Welcome New Councillor member

The Chair welcomed the Mayor Cr Klisaris back to the Committee.

1.3 Disclosure of any Conflict of Interest

No matters relating to Conflict of Interest issues were disclosed.

The Chair highlighted to the committee that he is now also on the Audit Committees of the Greater Dandenong City Council and Whittlesea City Council however noted that these appointments should not present any matters of conflict for the Monash Audit & Risk committee.

1.4 Confirmation of minutes as circulated – 15 August 2017

Recommendation:

The minutes of the Audit & Risk Committee meeting of 15 August 2017 be accepted.

Moved: Bev Excell / Katie Baldwin

1.5 Matters arising from previous meetings

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

Action: Management to provide the Committee with statistics on parking infringement income and related outstanding debts for the past 5 years prior to the December meeting [**Chief Financial Officer**]

Recommendation:

That the Committee note the report.

2 Internal Audit

2.1 Status of Internal Audit, External Audit & Self-Assessment Actions

The report highlighted that since the last meeting the total number of open action items has decreased by 1 to 28 (previously 29 items) and that discussion with action owners indicates that there is good awareness of open actions and the need to close them out within the target dates. There was a strong effort by management to close off actions however there are a few overdue actions due other priority projects taking precedence, staffing changes and awaiting new system implementations.

Recommendation:

That the Committee note the report.

2.2 Internal Audit Activity Report (Pitcher Partners)

Natalie James presented the Internal Audit Activity Report – December 2017 and advised the Committee of the upcoming audits of Community Infrastructure, Cash Handling and Legislative Compliance Management. Four internal audit reports are to be presented at the March 2018 meeting.

The Committee highlighted that it may be useful for management to evaluate whether Council purchase software to conduct its own data analytics. The Internal Auditors were asked to reconsider this recommendation when the Data Analytics Audit Report due to be presented to the June 2018 Committee meeting.

Recommendation:

The Committee notes the report.

2.3 Fleet Management Internal Audit Report (Pitcher Partners)

Natalie James from Pitcher Partners highlighted to the committee that Monash is well placed to improve fleet management as an organisation through addressing the few identified gaps, and building on existing practices. The recommendations made following the audit related mainly to tightening of policies, maintain of register of staff licences, improved reporting and data analysis.

Action: The Committee has requested that, in future, scoping documents of Internal Audit projects be circulated to the committee prior to the document being signed off and fieldwork commencing. [\[Manager Corporate Performance/Coordinator Business Assurance\]](#)

Action: The Committee recommended that management consider payment of private use of tollways, subject to Fringe Benefits Tax implications, to reduce the administrative cost and burden of monitoring private use. [\[Director Infrastructure\]](#)

Recommendation:

The Committee notes the report.

Moved: Bev Excell / Cr Geoff Lake

3 External Reporting

3.1 Local Government Performance Reporting Framework (Ross Goeman)

Ross Goeman presented to the Committee the LGPRF 2016-17 Comparison Report with Monash against seven neighbouring councils.

Ross highlighted that a detailed analysis of the three years of LGPRF is underway, and will include setting internal targets and where appropriate identifying actions Monash will undertake to achieve these targets. Ross also presented a few slides on where Monash stands with respect to neighbouring council in some of the service indicators. It was mentioned that this data was to be presented to council at the start of 2018.

Action: The Committee has requested that Ross provide an update at the June 2018 meeting on how this analysis is impacting on Council and its decision making. [\[Manager Corporate Performance\]](#).

Recommendation:

The Committee note the 2016/17 LGPRF Comparison Report.

Moved: Cr Geoff Lake / Bev Excell

4 Risk Management / Ethical Behaviour

4.1 Corporate OH&S Committee Report (and August 2017 meeting minutes)

Jenny Draschl presented to the Committee a summary on Monash's safety performance in relation to Monash's safety management systems; informs Monash's commitment to meeting health and safety objectives. The report highlighted statistics for both 3 year comparison and a 6 month period (Apr to Sep 2017).

Action: The Committee has requested future OH&S reports (no more than 5 pages) to the committee contain the following information:

- Focus on risks and strategic direction of OH&S for Council
- Incorporate trend data for more than 5 years
- Include trends on premiums
- Benchmarking against other councils
- Management key focus areas and work being done by the team to improve workplace practices
- Summary of attendance/non-attendance at OH&S meetings, and
- Not required to provide detailed minutes from OH&S meetings.

[Executive Manager, People and Culture / Corporate OH&S Coordinator]

Recommendation:

The Committee notes the report.

4.2 Risk Management Report (Sharon Tzimokas)

Sharon Tzimokas presented both the 4th Qrt 2016-2017 and 1st Qrt 2017-2018 Risk & Opportunity Management reports to the Committee. The Quarter 1 2017-2018 report provided details of the revised Strategic Risk Profile. 3 additional Strategic Risks were added to the profile. An update on the Internal Audit Actions was presented. 2 out of 4 were still in progress. There was also an agreement that Recommendation #2 from the internal audit would be actioned at the same time as incorporating the Risk Appetite statement into the framework. It was also agreed that at the June committee meeting a discussion would be had on the appetite statement and if agreed then the revised Framework would be presented to Council for adoption.

Action: The committee recommended not changing the numbering of Strategic Risks, even if risks are deleted, as it will assist with trend reporting. **[Coordinator Risk Management & Insurance]**

Action: Incorporate into the Risk Management Framework, the risk appetite and tolerance level of Council, and report back to the Committee at the June 2018 meeting. **[Chief Operating Officer]**

Action: Report back to the Committee on the Cyber Risks faced by Monash and our current management approach. [\[Chief Operating Officer\]](#)

Recommendation:

The Committee notes the Risk Management reports provided to the Committee.

Moved: Bev Excell / Katie Baldwin

5 Other Business

5.1 Results of Audit Committee Self-Assessment (Geoff Harry)

Action: The Chair has requested that the report on the results of the Committee self-assessment be moved to the March 2018 meeting. [\[The Chair\]](#)

5.2 Self-Assessment Against VAGO Report on “Effectively Planning for Population Growth” (Julie Salomon)

VAGO released a report from an audit of 3 Victorian councils, the Department of Education and Training (DET), the Department of Health and Human Services (DHHS), the Department of Environment, Land, Water and Planning (DELWP), the Victorian Planning Authority (VPA) and two Health Networks – specifically their effectiveness in undertaking Planning for Population Growth.

The report concluded that there are opportunities to improve service planning, in particular for birthing, MCH and funded kindergartens. The Report therefore makes eleven recommendations, including 2 for collaborative work with Local Government Authorities, and the remaining 9 have implications indirectly to Local Government Authorities.

Recommendation:

That the Committee notes the report.

Moved: Bev Excell / Katie Baldwin

5.3 Self-Assessment Against Local Government Investigations and Compliance Inspectorate “Central Goldfields Shire Council investigation” (Ross Goeman)

The Local Government Investigations and Compliance Inspectorate recently published a report resulting from an investigation at the Central Goldfields (CG) Shire Council. The Inspectorate’s investigations into CG Council examined initial allegations concerning council governance and possible offences under the Act. In the course of the investigation, additional matters were raised to broaden the scope and include specific

asset, financial and employment management circumstances. The report revealed clear evidence of failings within the council and oversight arrangements and was broken down into the following areas:

- asset mismanagement;
- financial mismanagement;
- human resources mismanagement; and,
- governance failures.

In reviewing the report and the listed recommendations, the report highlighted areas where Monash should review its exposure as an organisation.

Recommendation:

That the Committee notes the report.

5.4 Project Management Framework update (Ross Goeman)

Ross Goeman gave a brief outline on the implementation of the Project Management Framework. He stated that ELT endorsed version 1.0 of the PM Framework in July 2017 and there has been strong attendance of officers to the sessions launching the Framework in July and the workshops on applying the PMF during August. Last year achieved 100% of projects seeking funding submitting a Business Case. This year's focus is to see significant collaboration and quality improvements in the Business Cases.

Recommendation:

That the Committee notes the report.

5.5 Council Plan 2017-21 update (Ross Goeman)

Ross Goeman informed the committee that The Council Plan was adopted on 27 June 2017, with the following four Strategic Objectives:

- A Liveable & Sustainable City
- Inviting Open & Urban Spaces
- An Inclusive Community
- Responsive & Efficient Services

Recommendation:

That the Committee notes the report.

5.6 Fraud & Corruption Prevention update (Ross Goeman)

Ross Goeman gave a brief outline on action plan to be undertaken over the next 12 months to cover the gap analysis identified by the recent Fraud & Corruption Control

report which includes reviewing the Fraud & Corruption Framework, updating the Fraud & Corruption Risk Register and developing and implement a training program.

Action: The Committee asked for a briefing paper at each ARC meeting next year with an update on proposed actions from the plan presented [[Ross Goeman](#)]

Recommendation:

That the Committee notes the report.

5.7 Update on Monash’s level of involvement with the DELWP from VAGO report on “Managing Victoria’s Planning System for Land Use and Development” (Angela Hughes)

Angela Hughes gave a brief update on the work done by the DELWP on Victoria’s Planning System and their desire to combine State and Local policies. Angela mentioned that Monash had indicated to DELWP that it would be happy to be involved in any initiatives regarding actions arising from the review. She advised that to date no such opportunities have emerged.

Recommendation:

That the Committee notes the report.

Moved: Bev Excell/Cr Klisaris

6 Reports for distribution only

- Delegations Manual
- Chair’s presentation to Oct Cr Briefing
- September Quarterly Finance Report
- Payroll update
- Annual Report 2016-17

7 Correspondence

Nil

8 Next meeting dates (CONFIRMED BY MEMBERS)

6 March 2018, 8.00 - 10.00 am

19 June 2018, 8.00 - 10.00 am

14 August 2018, 8.00 - 10.00 am

4 December 2018, 8.00 - 10.00 am

The 2018 meeting dates were confirmed at the meeting

9 Identification of any "Confidential" items discussed during the meeting

Nil identified

10 Meeting Closed at 10:29 AM

CONFIRMED:

GEOFF HARRY

Chair

Date: ____ / ____ / ____

Distribution List:

Audit & Risk Committee
Meeting Attendees
Executive Leadership Team