

AUDIT & RISK COMMITTEE MINUTES

8:00 – 10:30am Tuesday 1 December 2020

Online meeting via MS Teams

Audit & Risk Committee	
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
Mayor Cr Brian Little	Audit & Risk Committee Member (Alternate)

Other Attendees	
Peter Panagakos	Acting Chief Executive Officer
Danny Wain	Chief Financial Officer
Ross Goeman	Manager Corporate Performance
Leanne Wiebenga	Executive Manager People & Culture
Ossie Martinz	Director Infrastructure & Environment
Russell Hopkins	Director Community Services
Natasha Swan	Acting Director City Development
Yanthi Nilam	Manager Finance
Jason Farrugia	Manager Strategic Procurement
Fiona Fernandes	Manager Corporate Performance
Sharon Tzimokas	Coordinator Risk & Insurance
Maria Isabella	Coordinator Corporate Performance and Reporting
Martin Thompson	Senior Partner - Audit and Assurance Crowe
Lynda Cooper	Manager - Risk Consulting Crowe
Lee Kibeiks	Corporate Safety Lead
Diana Sydorovych (Observer)	Senior Auditor - Crowe

1.1 Apologies

Andi Diamond - Chief Executive Officer
 Sanchu Chummar - VAGO
 Jung H Yau - VAGO
 Greg Talbot – Manager Community Amenity

1.2 Disclosure of any Conflict of Interest

None disclosed

1.3 Confirmation of minutes as circulated – 11 August 2020

Recommendation:

The minutes of the Audit & Risk Committee meeting of 11 August 2020 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.

Recommendation:

The Committee notes the report.

1.5 CEO Briefing

Acting CEO Peter Panagakos presented an update to the Committee on several matters including Council's response to the COVID-19 pandemic and in particular the Enhanced Outdoor Dining Project, Eaton Mall Dining Precinct with COVID safe dining and the opening up of Council services to the community.

Recommendation:

The Committee notes the briefing.

2 Financial & External Reporting

2.1 LGPRF report-2019/20 results and improvement initiatives (Maria Isabella)

Management outlined some initiatives to improve Monash's results in the Local Government Performance Reporting Framework with Monash deciding to set targets for all service measures to yield early learnings. The majority of the 2021-22 targets are based on the assumption that there will be no COVID-19 restrictions impacting services and that service utilisation will return to pre-COVID levels. The members requested that future reports have target dates and accountable officers noted therein. There was also a commitment to better link actions in there to the annual strategy/budget/plan with Council. Ross Goeman indicated that he intended to bring this report to the February Council Strategy meeting for discussion.

Recommendation:

The Committee notes the briefing.

3 Risk Management / Ethical Behaviour

3.1 Strategic Risk Report (Sharon Tzimokas & Ross Goeman)

Sharon Tzimokas gave the Committee an update on the Council's Quarter 1 Strategic Risks. Members suggested running a workshop looking at Council's risk appetite with Councillors. Ross Goeman indicated that he intended to run this alongside Councillor engagement to develop the Integrated Strategic Planning & Reporting Framework.

3.2 Other Risk Management Matters (Ross Goeman)

Ross Goeman also provided a briefing to the Committee on evaluating the effectiveness of the Enterprise Risk & Opportunity Management Framework as well as the Risk Management Unit.

Action: The members requested that an update be provided at the March meeting on progress of the 2nd line of defence controls work [Ross Goeman/ Sharon Tzimokas]

3.3 OHS and Workforce Dashboard (Lee Kibeiks)

Lee Kibeiks presented the 6 monthly People & Culture Dashboard report on for 2019-20 and the Q1 2020 OHS and Workforce KPIs to the Committee. The members were complimentary of the report presented.

Recommendation:

The Committee notes the report.

4 Internal Audit

4.1 Status of Delivery of the 2020/21 Annual Strategic Internal Audit Plan (Crowe)

Crowe provided the Committee with the status update on the current Internal Audit Activity in accordance with the 2020/21 Plan.

4.2 Status 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 35 (previously 39 items).

Action: The members requested that percentage completion of all high priority and overdue actions to be added to future reports [Fiona Fernandes].

4.3 Animal Management Review (Crowe)

In July 2020, a review was completed of Council's animal management activities in place to assess whether the controls and practices are operating satisfactorily. The internal audit concluded that controls require strengthening and identified six controls that should be implemented and/or improved to reduce the identified weaknesses and exposures.

4.4 Implementation of a Healthy and Resilient Monash: Integrated Plan Review (Crowe)

In October 2020, a review was undertaken to review the adequacy of the adequacy of policies and procedures in place to support and manage the implementation of the Council's public health and wellbeing plan. The internal audit concluded that controls would benefit from further strengthening and identified five controls that should be implemented and/or improved to reduce the identified weaknesses and exposures.

Action: The members requested that Crowe identify the second line of defence controls within the report so that this can be incorporated/developed in the Council's new Health Plan. [Crowe]

Action: For all future audits the committee asked that Crowe conclude on the effectiveness of second line of defence controls, and/or suggest controls where they saw gaps. [Crowe]

4.5 Tree Management Follow up Review (Crowe)

In 2019, Internal audit completed an audit of the Tree Management function to which a range of findings were identified requiring remedial action. Subsequently, Crowe confirmed the status of the implementation of those remedial actions, with the follow up process focusing on sighting evidence for recommendations management have reported as being finalised to the Audit and Risk Committee and confirmed actions remaining outstanding as a result of this audit.

Recommendation:

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

Moved: Katie Baldwin / John Watson. Carried

5 Compliance Management

5.1 Update on Local Government Act 2020 implementation (Ross Goeman)

A briefing paper on the implementation of the Local Government Act 2020 and the key activities undertaken by the Project Control Group (who meet fortnightly) to implement the more immediate requirements of the Act as well as prepare for sections that have somewhat longer timelines for implementation was provided to the committee.

5.2 Annual “Status of Legislative Compliance” report (Ross Goeman)

A briefing paper was presented to the Committee on the Legislative Compliance of Council following the first round of annual attestations completed by Managers since the implementation of the new legislative compliance software. Future reports will involve an assessment of the completeness of the current requirements list, and on assurance around high risk items.

6 Executive Briefings

The Chief Financial Officer presented to the Committee on the service challenges and emerging risks for the Corporate Services Division, which comprises the Finance, Strategic Procurement and Corporate Performance Departments.

7 Governance

7.1 ARC six monthly activity report to Council (Andrew Dix)

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 is tabled to members for noting and will be forwarded to the CEO and Council and the next Council meeting.

Recommendation:

The Committee notes the report and forwards it to the Chief Executive Officer to table at the January 2021 Council meeting.

Moved: John Watson / Katie Baldwin. Carried

7.2 ARC self-assessment survey results & Strategy discussion (Andrew Dix)

The Chair also briefed members on the outcomes of the recent annual self-assessment survey of the Committee's performance and to consider improvement opportunities for future activities.

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

None identified.

7.4 Other Matters

Action: The Committee requested that at the next meeting a comprehensive listing of policies with review dates be circulated [[Ross Goeman](#)]

8 Meeting Schedule

The Following meeting dates were confirmed by members:

2 March 2021, 8.00 - 10.30 am

22 June 2021, 8.00 - 10.30 am

10 August 2021, 8.00 - 10.30 am

7 December 2021, 8.00 - 10.30 am

9 Meeting Closed at 10:24 AM

10 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- Draft Procurement Policy [Internal Control Environment]
Performance Reporting [Internal Control Environment]

Recommendation:

The Committee notes the above reports.

CONFIRMED:

ANDREW DIX

Chair

Date: ___ / ___ / ___

Distribution List:

Audit & Risk Committee
Meeting Attendees
Executive Leadership Team