



MINUTES

Audit Committee Meeting No. 123

held on 5 December 2018 at 12.00 pm in Civic Centre

- Present:** A. Hall, External Member
Cr. Hardy, Councillor Member
- Chairperson:** R. Tommasini, External Member
- Attendance:** K. Tori, Chief Executive Officer (arrived 12.04 pm)
M. McCullagh, Internal Auditor
M. Oroszi, Internal Auditor
C. Denyer, Manager Legal and Governance
S. Rumoro, Manager Finance
D. Caligari, Manager Capital Projects
M. Noor, Management Accounting Coordinator
C. Santoro, Senior Administration Officer
S. Ryan, Asset Management & GIS Coordinator (arrived 12.10 pm)
J. Dixon, Dixon Group (arrived 12.10 pm)
E. Dixon, Dixon Group (arrived 12.10 pm)
A. Baker, Dixon Group (arrived 12.10 pm)

The Chairperson officially opened the meeting at 12.02 pm.

1. Apologies

F. Mansoor, External Member
Cr Turner, Councillor Member
L. Tripodi, Internal Auditor

2. Declaration of interests and/or conflict of interests

Whilst acknowledging it was not a conflict for this meeting, A. Hall declared his new role as Mayor at Wellington Shire Council. No other interests were declared.

3. Confirmation of minutes of previous meeting held on 24 October 2018

Motion

Cr. Hardy/A. Hall

That the minutes of the Audit Committee meeting dated 24 October 2018 be confirmed as a true and correct record.

Carried

4. Report Back From Council on Consideration of Previous Meeting Minutes

Council unanimously adopted the recommendations of the previous minutes of the Committee. Cr. Hardy also informed the Committee that a Council report in relation to the Recycling contract will be tabled at next Monday night's Council meeting and further information will be provided to the Committee on the outcome of this matter.



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5. Business Arising From Previous Minutes

- Review on % of Rate Arrears Comparison Graph (*Graph has been Reviewed*)
S. Rumoro informed the Committee that this will be discussed in conjunction with the Monthly Finance report 31 October 2018, under agenda item 8.
- Draft Internal Audit Scopes for Volunteers Management & Financial Controls to be emailed to Committee members for approval – (Scopes emailed to Committee members 25/10/2018)
R. Tommasini advised that the scopes were received and approved.
- Recommendations 2574, 2572, 2554, 2548, 2525 & 2452 to be omitted from next report - (*refer to Agenda Item 13*)
The Committee noted the action taken.

Noted
- Include previous comments for recommendations 2550, 2524 and 2493 in next report – (*refer to Agenda Item 13*)
Committee noted the action taken.

Noted
- Management write to Melton Secondary College in relation to the MIRC Facility Management Committee requesting a meeting to be convened – (*letter written to School dated 19 November 2018*)
The Committee noted the action taken

Noted
- Advise the MIRC Facility Management Committee that an emergency management exercise will be undertaken by Council during community use hours of the facility – (*a meeting has been organised for Wednesday 12 December 2018 with relevant School and Council staff members*)
The Committee noted the action taken.

Noted
- Request documentation in relation to compliance of a smoke hazard management system for the MIRC – (*a meeting has been organised for Wednesday 12 December 2018 with relevant School and Council staff members*)
The Committee noted the action taken.

Noted
- Comparison of Operating Expenditure Per Capita report emanating from VAGOs report on 'Delivering Local Government Services' – (*refer to report attached*)
The Committee noted the report and Council's position compared to other interface Councils.



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Noted

- Council's position in relation to recommendations emanating from VAGO's report on "Delivering Local Government Services" – (refer to Memo from General Manager Corporate Services)

The Committee noted Council's actions in relation to VAGO's recommendations emanating from the report.

Noted

S. Ryan/J. Dixon/E. Dixon/A. Baker arrived 12.10 pm

6. Fair Value Building Revaluation Report – Dixon Group

A presentation was received from representatives of the Dixon Group, who are Consultants commissioned by Council to undertake a building condition assessment and revaluation of Council's existing building inventory for the purpose of accounting compliance (fair value) in accordance with Australian Accounting Standards.

J. Dixon responded to questions raised by the Committee and the report was noted.

Noted

S. Ryan/J. Dixon/E. Dixon/A. Baker departed 12.27 pm

7. Audit Committee Annual Work Plan

Annual Work Plan relating to this meeting noted.

The Chairperson enquired whether the Internal Auditor had a need to meet "in-camera" with the Committee members.

The Internal Auditor, M. McCullagh, informed the Committee that this was not required.

8. Monthly Finance Report 31 October 2018

S. Rumoro presented the report, with tabled amendments, and responded to questions raised by the Committee.

Discussion took place on whether it is feasible to produce two graphs for capital expenditure projects, with one graph emphasising those projects to be completed over multiple years.

Recommendation 1:

That Council note the Monthly Finance Report 31 October 2018.

D. Caligari/M. Noor departed meeting 12.27 pm

9. Feedback on draft Council Policy 'Investment of Council Funds'

S. Rumoro informed the Committee that minor amendments have been adapted from the previous policy, including perusal from the Internal Auditors.

R. Tommasini suggested that definitions on what constitutes major and minor variations, in relation to 4.3 of the policy, be defined.

Action: S. Rumoro

Noted



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10. Internal Audit Status Report as at 28 November 2018, including Program Calendar

M. McCullagh informed the Committee that an extra column has been added to the status report, disclosing the scopes that have been endorsed by Audit Committee.

As per discussion at last meeting, M. McCullagh informed the Committee that a 'Follow Up of Previous Internal Audit Recommendations' review has been included into the Audit Plan, scheduled for April 2019. This scope will be presented at the next meeting for endorsement.

Noted

11. Internal Audit Review on 'IT & Social Media'

M. McCullagh informed the Committee that overall the expected elements of an IT Strategy were present but were recorded across multiple documents, making it difficult to follow. It was also revealed that the IT Strategy is at draft stage and has not been communicated to management and key stakeholders.

In relation to the Social Media Strategy, the audit revealed that the future state of social media has not been articulated, benefit measurements and cost activities have not been identified and absence of a Social Media Crisis Management Plan.

M. McCullagh responded to questions raised by the Committee.

Recommendation 2:

That the recommendations and management comments in the IT Strategy & Social Media report be adopted by Council.

12. Internal Audit Review on 'Volunteers Management'

M. McCullagh presented the report, advising that there were no major concerns but the review identified opportunities to strengthen existing processes such as:

- Key volunteer documentation not maintained by Community Planning service unit
- Risk assessments have not been completed for the volunteer activities by Community Planning service unit
- No formal responsibilities and dedicated resources for managing and governing volunteers across Council
- Key volunteer documentation not saved on the ECM system
- Incomplete information recorded in the Volunteer Register.

M. McCullagh responded to questions raised by the Committee.

The Committee recommended that the management comment for recommendation 7 be amended to also include the ongoing maintenance of the information recorded in the Volunteer Register regarding volunteers engaged across all programs and service units.

Action: M. Heaney

Recommendation 3:

That the recommendations and management comments in the Volunteers Management report, including the above additional comments raised by the Committee, be adopted by Council.



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13. Internal Audit Recommendation Tracking Report

The Committee noted the continued good progress on the report, with the exception of the following:

- The Management comment addressing recommendation 2588 is only partially addressed, and should not have been marked as completed;
- Percentages on the progress on some of the recommendations has too many zeros (typographical error).

Action: T. Scoble/Cheryl Santoro

Noted

14. Report on Published Statements/Reports (if any)

No reports tabled for this meeting.

15. Schedule of Audit Committee Meetings for 2019 Calendar Year

The Committee noted and accepted the schedule of Audit Committee meetings for 2019 calendar year.

Noted

16. General Business

- Thank you to Alan Hall for his years of service on Council's Audit Committee

The Chairperson, R. Tommasini and CEO, K. Tori both thanked Alan Hall for his contribution and years of service on Council's Audit Committee and presented Alan with a small gift on behalf of Council.

- Status of Recruitment for Independent Member

C. Santoro, C. Denyer and K. Tori updated the Committee on the status of the recruitment for an independent Committee member, advising that a Council report will be tabled at next Monday night's Council meeting with a recommendation.

Noted

S. Rumoro/M. McCullagh/M Oroszi departed 1.15 pm

17. Other matters as determined by the Chief Executive Officer/Committee Chairperson (including any identified Fraud instances (if any))

Note – Matters discussed under this Agenda item are dealt with "in-camera" as they may relate to contractual, legal or personnel matters.

Close of Business

The meeting closed at 1.23 pm.

Next Meeting

The next meeting is to be held on 27 February 2019 commencing at 12.00 pm in the Conference room