



Southern Grampians
SHIRE COUNCIL

Audit & Risk Committee Minutes

Ordinary Meeting
16 October 2018

held at 2.00pm in the
Martin J Hynes Auditorium
3 Market Place, Hamilton

	Outcome Sought	Presenter	Tabled
1. MEMBERSHIP			
Members	<i>Noting</i>	<i>M Murphy</i>	<i>Verbal</i>
Mr Michael Murphy OAM – Chair			
Mr Brian Densem			
Cr Mary Ann Brown – Mayor			
Cr Colin Dunkley			
Attending			
Mr Michael Tudball – Chief Executive Officer			
Ms Evelyn Arnold – Director Community & Corporate Services			
Ms Belinda Johnson – Manager Finance			
Mr Jason Cay – Finance Co-Ordinator			
Mr Darren Barber – Manager Organisational Development			
Minutes			
Ms Nadine Rhook – Executive Assistant – Director Community & Corporate Services			
2. WELCOME			
3. APOLOGIES			
4. CONFLICT OF INTEREST			
5. CONFIRMATION OF MINUTES			
Confirmation of Minutes: Audit & Risk Committee meeting – 21 August 2018	<i>Confirmation</i>	<i>Chair</i>	<i>Attachment</i>
6. MATTERS ARISING FROM THE PREVIOUS MINUTES			
6.1 Final Closing Report & Final Management Letter	<i>Information</i>	<i>J Cay</i>	<i>Attachment</i>
7. STANDING ITEMS			
7.1 Flood Recovery	<i>Information</i>	<i>M Tudball</i>	<i>Attachment</i>
7.2 Progress Report of Current Actions (Interplan)	<i>Information</i>	<i>E Arnold</i>	<i>Attachment</i>
7.3 Financial Report – Standard Statements	<i>Information</i>	<i>J Cay</i>	<i>Attachment</i>
7.5 Internal Audit Progress - Overall	<i>Information</i>	<i>E Arnold</i>	<i>Attachment</i>
7.6 Reports Released by Other Government Agencies	<i>Information</i>	<i>J Cay</i>	<i>Verbal</i>
8. BUSINESS FROM THE ANNUAL SCHEDULE			
8.1 Annual Report of Audit & Risk Committee	<i>Information</i>	<i>E Arnold</i>	<i>Attachment</i>
9. GENERAL BUSINESS			

	Outcome Sought	Presenter	Tabled
9.1 Internal Audit & Risk Committee Plan for 2019/20	<i>Information</i>	<i>E Arnold</i>	<i>Attachment</i>
9.2 Internal Audit – Business Continuity Plan	<i>Information</i>	<i>RSD Audit/D Barber</i>	<i>Attachment</i>
9.3 Audit Management Letter – Outstanding Items: <ul style="list-style-type: none">• IT Change Management• Segregation of roles in Civica• Section 86 Committees	<i>Information</i>	<i>E Arnold</i>	<i>Verbal</i>
9.4 Annual Leave Report	<i>Information</i>	<i>D Barber</i>	<i>Verbal</i>
9.5 Emerging Matters	<i>Information</i>	<i>E Arnold</i>	<i>Verbal</i>

10. COMMITTEE IN CAMERA**11. NEXT MEETING**

1. Attendance

Members

Mr Michael Murphy OAM – Chair
Mr Brian Densem
Cr Mary Ann Brown – Mayor
Cr Colin Dunkley

Officers

Mr Michael Tudball – Chief Executive Officer
Ms Evelyn Arnold – Director Community & Corporate Services
Mr Jason Cay – Finance Coordinator
Mr Darren Barber – Manager Organisational Development
Ms Michelle McKinnon – Audit Manager - RSD Audit
Ms Blessing Mendoza – RSD Audit

Minutes

Mrs Nadine Rhook – Executive Assistant – Director Community & Corporate Services

2. Welcome - Chair

The Chair welcomed all to the meeting especially Michelle McKinnon and Blessing Mendoza from RSD Audit and Darren Barber, Manager Organisational Development. He also thanked all for the work that had been done in putting the papers and agenda together.

The Chair also congratulated Hamilton on best tasting water in Victoria.

3. Apologies

Ms Belinda Johnson – Manager Finance

4. Conflict of Interest

Mr Mick Murphy – Wannan Water
Mr Brian Densem – Chair of Glenelg Hopkins CMA Audit & Risk Committee

5. Confirmation of Minutes

Minutes of the meeting held on 21 August have been circulated.

These unconfirmed minutes were presented to Council at the Ordinary Monthly Meeting held on Wednesday 12 September 2018.

RESOLUTION

Moved: Cr Dunkley
Seconded: Cr Brown

THAT the Minutes of the Audit & Risk Committee held on 21 August 2018 be confirmed as a correct record of business transacted.

CARRIED

6. Matters Arising from the Previous Minutes

6.1 Financial Statements & Reports

Author: Belinda Johnson
Attachments: As Attached

Executive Summary

The Financial & Performance Statements, Governance & Management Checklist, Closing Report and Final Management Letter for the 2017/18 year have been received.

ACTION/AGREEMENT

THAT the Committee acknowledge the reports as presented.

NOTED

7. Standing Items

7.1 Flood Recovery

Author: Michael Tudball
Attachments: Flood Recovery Report

Executive Summary

Attached is a presentation provided to Council on 22 August 2018 together with a summary of Category C Projects and funding.

ACTION/AGREEMENT

THAT the Committee note the verbal report as provided.

Moved: Cr Brown
Seconded: Mr Densem

CARRIED

7.2 2018 Action & Task Report

Author: Belinda Johnson
Attachments: Action & Task Summary Report

Executive Summary

This is a priority report which will be continually monitored and updated and will be discussed at each Audit & Risk Committee meeting.

A copy of the Action & Task Summary Report is presented here for discussion.

ACTION/AGREEMENT

THAT this report will be brought back to the February 2019 ARC Meeting for an update on progress.

THAT the negotiation of the new lease for the Quarry Rehabilitation be noted as discussed.

THAT the Committee endorse the Audit & Risk Committee 2018 Action & Task Summary Report as presented.

RECEIVED

7.3 Financial Statements

Author: Jason Cay
Attachments: Financial Statements

Executive Summary

Interim Financial reports for the period ended 30 September 2018 are presented for information. This report was presented to Council at its ordinary meeting on 10 October 2018.

ACTION/AGREEMENT

THAT a percentage amount be added next to the Sub Total figures in the Financial Reports.

THAT an updated report with a Forecast Column inserted will be presented at the February ARC meeting.

THAT the Committee endorse the Financial Statements as presented.

NOTED

7.4 Internal Audit Progress

Author: Evelyn Arnold
Attachments: Updated Internal Audit Project Plan

Executive Summary

A key priority of Council and the Audit and Risk Committee was the appointment of Internal Auditors. It was seen as a crucial part of the continuous improvement process as well as providing an independent review of key internal controls and procedures.

ACTION/AGREEMENT

THAT the Planning & Community Health Services be included in Customer Service & Complaints Management audit project scope.

THAT for future amendments to the Internal Audit Project Plan a report should be received from the Internal Auditors RSD Audit's Engagement Partner, Kathie Teasdale Engagement after consultation.

THAT the Committee endorse the revised Internal Audit Project Plan.

Moved: Mr Densem
Seconded: Cr Brown

CARRIED

7.5 Government Agencies

Author: Belinda Johnson
Attachments: Nil

Executive Summary

Many government agencies develop and publish reports which impact on local government. There are three agencies in particular whose reports often directly impact local government. These are:

- Victorian Auditor General's Office (VAGO)
- Independent Broad-based Anti-corruption Commission (IBAC), and
- Victorian Ombudsman

A special Report released from Parliament has also been included.

Discussion

A review of the relevant publications released from these organisations since the last meeting on 21 August 2018, along with comments are tabled.

ACTION/AGREEMENT

THAT the Committee acknowledges the reports as presented.

NOTED

8.1 Annual Report – 2017/2018 Financial Year

Author: Belinda Johnson

Attachments: Annual Report – 2017/2018 Financial Year

Executive Summary

A draft report detailing the activities of the Audit & Risk Committee Annual Report for the 2017/2018 financial year is attached.

ACTION/AGREEMENT

THAT the Committee endorse the Audit & Risk Committee Annual Report of Operations for 2017/2018 and request it to be tabled at the Ordinary Meeting of Council on Wednesday 14 November 2018.

Moved: Cr Brown

Seconded: Mr Densem

CARRIED

9.1 Draft ARC Annual Plan 2019

Author: Belinda Johnson
Attachments: Draft ARC Annual Plan 2019

Executive Summary

A Draft 2019 ARC Annual Plan including Committee meeting dates is presented here for endorsement. This plan follows previous year's plans and is linked to the Audit and Risk Committee Charter.

ACTION/AGREEMENT

THAT the Committee endorse the Plan as presented with amendments.

Move: Cr Brown
Seconded: Cr Dunkley

CARRIED

9.2 Internal Audit Progress – Business Continuity

Author: Sarah Franks
Attachments: Final Report - Business Continuity & Draft SGSC Business Continuity Management Policy

Executive Summary

A key priority of Council and the Audit and Risk Committee was the appointment of Internal Auditors. It was seen as a crucial part of the continuous improvement process as well as providing an independent review of key internal controls and procedures.

ACTION/AGREEMENT

THAT the Committee endorse the Final Internal Audit Report – Business Continuity.

Moved: Cr Dunkley
Seconded: Cr Brown

CARRIED

THAT the Committee endorse the SGSC Business Continuity Policy as attached.

Moved: Cr Brown
Seconded: Mr Densem

CARRIED

9.3 Audit Management Letter- Outstanding Items History

Author: Evelyn Arnold
Attachments: Nil

RECOMMENDATION

THAT the Committee acknowledge the update provided.

NOTED

9.4 Annual Leave Report

Author: Darren Barber
Attachments: Nil

Executive Summary

Management of accruals is a key financial, health and wellbeing consideration for an organisation the size of Southern Grampians Shire Council (SGSC). The following data shows the number of staff and total hours by branch that are outside SGSC's policy.

The associated commentary provides the committee with an understanding of the processes the organisation is taking to manage the staff outside our policy to ensure they reduce their leave accruals.

ACTION/AGREEMENT

THAT this become a Standing Agenda Item to provide an update to the Committee every six (6) months and to include in ARC Annual Plan 2019.

THAT the Committee accept this report as provided.

Moved: Cr Brown
Seconded: Mr Densem

CARRIED

9.5 Emerging Matters

Author: Belinda Johnson
Attachment: None

Executive Summary

This item provides advice on matters which are of relevance to the Audit & Risk Committee, however further information is required to enable a report to be presented to the Committee.

ACTION/AGREEMENT

Nil

NOTED

11. Committee in Camera

The group was asked to leave at the conclusion of the meeting at 4.00pm.

12. Next Meeting

The next quarterly meeting is scheduled for Thursday 15 November 2018 commencing at 2.00pm in the Martin J Hynes Auditorium.

The Chair thanked all involved for their work for the last year and congratulated all for the progress that has been made to date.

The Chair advised he was unable to attend the 15 November meeting.

Ms Rhook to liaise with the Committee members to establish another meeting date.

Meeting Closed at 4.00pm
