

ORDINARY MEETING OF COUNCIL 6 FEBRUARY 2019



14.3 OUTCOMES OF THE AUDIT AND RISK COMMITTEE MEETING 22 NOVEMBER 2018

EXECUTIVE MEMBER: KYLIE BENNETTS, DIRECTOR, OFFICE OF THE CEO
PREPARED BY: JULIE SNOWDEN, CO-ORDINATOR RISK AND ASSURANCE

1. PURPOSE

- 1.1 To bring to the attention of Council the matters addressed at the 22 November 2018 Audit and Risk Committee meeting.

2. EXECUTIVE SUMMARY

- 2.1 Council is required by the Local Government Act 1989 to establish an Audit and Risk Committee (the Committee) as an advisory committee of Council. The Committee Charter, reviewed annually by Council, requires the Committee to meet five (5) times per year and to regularly report to Council. The most recent meeting of the Committee was held on 22 November 2018. This paper satisfies this reporting requirement.

3. RECOMMENDATION

That Council:

- 3.1 Notes the report outlining the matters addressed at the 22 November 2018 meeting of the Audit & Risk Committee.

4. KEY POINTS/ISSUES

- 4.1 Matters considered by the Committee at its 22 November 2018 meeting were:

4.1.1 Chief Executive Officer's Report

The Committee noted the overview from the CEO on key activities that have occurred since the last meeting, including an update on the ongoing impacts of the Fines Victoria IT system issues. As a result of the system issues, unpaid infringements lodged with Fines Victoria are not being adequately collected and pursued, and this is having an ongoing impact on Council's income and bad and doubtful debt. The CEO advised that matter was now being actively monitored as a below waterline risk.

They also noted the Chief Executive Officer's Reports (47, 48 & 49)

4.1.2 Strategic Risk & Internal Audit

The Committee noted the regular SRIA update, including the work undertaken to effectively activate an Emergency Relief Centre, with 45 staff now registered and trained who will be on call for future emergency events. The Committee also noted the status of the Internal Audit Recommendations Report.

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Audit & Risk Committee member Brian Densem expressed an interest in attending the next SRIA meeting to be held on 10 December 2018.

4.1.3 Assurance Activities Update

The Committee discussed the audit findings from the Fraud Controls Review and the Competitive Neutrality / National Competition Policy Review.

A verbal update was provided on the status of the Construction Permitting and Local Laws Review.

The Committee noted the status of the Internal Audit Plan and endorsed the changes to the Internal Audit Charter following its annual review.

4.1.4 Compliance Monitoring

The Committee noted the review of the existing Risk Management Policy and Framework against the Victorian Government Risk Management Framework had commenced and requested an evidence based compliance program of works be tabled at the next meeting in February 2019.

4.1.5 OHS Update

The Committee noted the update acknowledging that OH&S continues to be monitored monthly with findings shared with the OH&S Committee which is chaired by the Chief Executive Officer. The Committee noted that future reporting would also include information on 'Near Misses' and 'Hazards'.

4.1.6 Financial Monitoring

The Committee noted the financial sustainability standing report, the project portfolio Q1 deliverability assessment and the September 2018 quarter financial report, suggesting that a financial review / portfolio deliverability review be added to the annual calendar of events for the Committee to review once a year. The Committee also suggested that more detailed financial reports be provided to Council on a quarterly basis including balance sheet, capital works statement and cashflow statement and any other key financial data. This additional information will complement the financial reporting already provided to Council on a quarterly basis.

4.1.7 Supplementary Reports

The Committee was updated on the South Melbourne Market Governance model.

The Committee requested a report be tabled at the next meeting in February 2019, outlining in more detail some of the agreed assurance elements particularly through the transition process and how the South Melbourne Market Committee would assess their performance.

The Committee also requested a report twice a year from the South Melbourne Market, to include control measures, DDA compliance, financial forecasts.



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4.1.8 Performance Evaluation

The Committee discussed the results of the Self-Assessment Survey and noted the recommendations with a request to use more plain language when reviewing the Audit & Risk Committee Charter and consideration of providing more detail in reporting outcomes to Council.

4.1.9 Membership Expirations

Helen Lanyon was re-nominated as Chair for the Audit and Risk Committee for 2019, with a Council Report to be tabled to Council at its meeting on 5 December 2018.

4.1.10 Administration Matters

The Committee requested a general update on Fisherman Bend be presented at the February 2019 Meeting and for the report to include a Risk Assessment.

The Chairperson of the Committee advised that the MAV were proposing to hold an MAV Audit & Risk Committee forum at City of Port Phillip in February / March 2019 and requested that officer's follow-up with the MAV on the logistics of the workshop.

5. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 5.1 Our commitment to you through improving community engagement, advocacy, transparency and governance.

6. OFFICER DIRECT OR INDIRECT INTEREST

- 6.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

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ATTACHMENTS Nil