



**MINUTES OF THE
AUDIT & RISK COMMITTEE MEETING**

DATE: Friday 17th November 2017

VENUE: Gunuwarra Room, St Kilda Town Hall.

ATTENDEES: Helen Lanyon (External Member) – Chairperson
Brian Densem (External Member)
Kerryn O'Brien (External Member)
Cr Bernadene Voss, Mayor (Member)
Cr Dick Gross (Member)
Peter Smith, Chief Executive Officer (Guest)
Chris Carroll, General Manager Organisational Performance (Guest)
Alan Lowe, Risk and Compliance Advisor (Guest)
Dennis O'Keeffe, CFO (Guest)
Amy Parish, Committee Executive Officer (Guest)
Chris Braithwaite, Partner, PricewaterhouseCoopers (Guest)
Brett Wong, PricewaterhouseCoopers (Guest)

APOLOGIES Julie Snowden, Coordinator Risk & Assurance (Guest)

1. COMMITTEE ONLY TIME: The Committee Members met without Representatives from Management.

		WHO	DATE
2. OPENING OF COMMITTEE MEETING	2.1 Opening: Formal meeting commenced at 9.20am		
	2.2 Apologies: Nil		
	2.3 Declarations of Interest Nil		
	2.4 Confirm Agenda Agenda confirmed with Committee noting items 2.6, 2.7, 2.8, 4.1, 7.1, 7.5, 8.1, 9		
	2.5 Adoption of 24 August 2017 minutes The Committee confirmed the minutes of the meetings held on 24 August 2017.		
	2.6 Matters Arising From previous meetings The Committee noted Matters Arising from previous Minutes		
	2.7 Annual Calendar of Activities The Committee noted the Calendar of Activities.		
	2.8 Membership expirations The Committee noted the membership expirations.		
3. CHIEF EXECUTIVE OFFICER'S REPORT	3.1 Chief Executive Officer's Report The Chief Executive Officer addressed the Committee, discussing outcomes of the CLT Camp and working with the Executive Leadership Team to focus on Direction 6 of the Council Plan, in particular through the development of our Organisational Strategy and related Organisational Change Plan both tabled at the meeting. General Manager, Organisational Performance highlighted that the Organisational Change Plan does not increase the current EFT complement and is relatively low impact, designed to support continued momentum within the organisation for the next 12months to 2 years. The Chief Executive Officer welcomed questions and comments on the Organisational Strategy and Change Plan post meeting. Action: Further updates and progress on the Organisational Strategy to be discussed at the next committee meeting.	CEO	February 2018
	The Committee noted the report including the attached CEO reports, Issues 36, 37 & 38.		
	4. EXTERNAL AUDIT		
	4.1 Financial Sustainability – Standing report The Committee noted the updated Financial Sustainability report.		
5. COMPLIANCE MONITORING	5.1 Regular update from management about compliance matters (including breaches and progress report on the Governance systems and processes review)		

The Risk & Assurance Advisor discussed the introduction of the Evidence Based Compliance Auditing program and provided detail around its design and delivery, acknowledging findings from the inaugural audit in the Safety and Amenity Department that some policies, hyperlinks on the website and staff instructions needed to be improved and updated.

WHO **DATE**

There was some general discussion around the timing and rollout of compliance auditing and the Committee suggested that the audit finding ratings be aligned to that of the PWC internal audit process and reported in the same document.

The Committee acknowledged the comprehensive reporting and noted the report. They indicated that only summarised reports would be required in future and that any resulting High and Medium actions be added and tracked through the Internal Audit Recommendations process.

Action: A plan for the rollout of the Evidence Based Compliance Auditing program across the business to be presented at the February 2018 meeting.

CRA **February 2018**

Action: Any High and Medium findings / actions identified through the Evidence Based Compliance testing to be added and tracked through the Internal Audit Recommendations process / table.

CRA **February 2018**

5.2 OHS Monthly ELT Report – Standing Report

The General Manager, Organisational Performance advised of the departure of the OHS Manger from the City of Port Phillip with a permanent replacement to be sourced by June 2018 and explained an interim Project Director has been appointed. Worksafe investigations at several Child Care Centres highlighted the need for increased communication to Worksafe on the progress of identified issues. The Donesafe application has been rolled out to Health and Safety Representatives with a plan to roll out across the organisation shortly.

The Committee noted the report and actions.

5.3 (This section of the minutes is confidential)



6. RISK MANAGEMENT

6.1 Risk Management Update

The General Manager, Organisational Performance explained the reported Gas Leak as a false alarm and described the process of evacuation, identifying that the processes around security and emergency plans within St Kilda Town Hall required improvement. At the time of evacuation, the Chief Warden was on leave resulting in a lack of clear direction and an acknowledgement that general warden training had commenced but was not yet completed. A commitment was provided that the emergency evacuation procedures and training improvements will be rapidly deployed.

The Committee noted the report.

6.2 Investments Policy

The Chair recommended additional wording to item 5.2.3 and review timings.

The Committee endorsed the report with the requested changes.

6.3 Business Continuity Management Update

The General Manager, Organisation Performance talked the Committee through the progress of Disaster Recovery in the organisation including the upgrade to data storage.

Action: A further update on the progress of the DR project to be provided to the Committee at the February 2018 meeting.

Mgr, BT February 2018

The Committee noted the report.

7. ASSURANCE

7.1 Internal Audit Recommendations Status Report

The Committee noted the Internal Audit recommendations status report and endorsed the recommendations.

7.2 Audit Findings

Contract Management Review

PWC addressed the Committee noting one High, two Moderate and three Low rated findings. The Committee raised concerns in relation to the implementation of recommendations from a previous contract management review in 2014/15, noting that the same issues surrounding contract management guidelines have been raised in the 2017 review. Contract management guidelines have now been completed addressing the High rated finding.

The General Manager, Organisational Performance noted that this happened during a transition to a new CFO and would report back on the cause at the next meeting.

Privacy and Data Management Review

Chris Braithwaite, PWC discussed the findings of the Privacy and Data Management Review with the Committee. Findings from the audit related to the policy, storage and creation of records showing that records management isn't always being effectively applied, rather that corporate records are being saved to network computer drives.

Action: Management will review the closing out of the 2014/15 contract management review recommendations and provide a report on the findings at the next meeting.

CFO February 2018

7.3 Internal Audit Plan 2016/2017 status report

The Chair commented that a review of parking processes is probably overdue and that perhaps the Local Law Practices Review could be replaced by a Parking Services Review in the Internal Audit Plan. Management agreed to take the proposal off line to discuss with PWC with a view to providing a formal decision at the next meeting.

Action: Advise the Committee if the proposed review of Parking Services will replace the Local Laws Practice Review in the Internal Audit Plan at the February 2018 meeting.

GMOP February 2018

The Committee noted the status report.

7.4 Internal Audit Charter

The Committee endorsed the Charter with an amendment to page 216 - Management is responsible for: Third dot point now reads "Maintaining an effective system of internal data controls."

7.5 External Publications

The Committee noted the report.

**8. GENERAL /
SUPPLEMENTARY
REPORTS**

8.1 Child Safe Standards Update

The Committee noted the report.

**9. PERFORMANCE
EVALUATION**

9.1 Self-Assessment Survey results

The Committee noted the report recommending that future reports are based on five returns not three and a process for formal reminders be established.

**10. MEMBERSHIP
EXPIRATIONS**

10. Nomination of Chair for 2018

The Committee nominated Helen Lanyon for the role of Chair of the Audit and Risk Committee in 2018.

**11.
ADMINISTRATIVE
MATTERS**

Next Meeting Details

**12. IN CAMERA
SESSION**

In Camera Session (If Required)

**13. COMMITTEE
REFLECTION
TIME AND
CLOSING OF
MEETING
INFORMATION
TABLED:**

CHAIRPERSON

Confirmed:

Date: