



**AUDIT AND RISK COMMITTEE MEETING OF
THE HUME CITY COUNCIL**

FRIDAY, 25 NOVEMBER 2022

**MAYGAR ROOM, HUME CITY COUNCIL, 1079 PASCOE VALE
ROAD, BROADMEADOWS**

CONFIRMED - 24 February 2023.

HUME CITY COUNCIL

Minutes of the
AUDIT AND RISK COMMITTEE MEETING OF THE HUME CITY COUNCIL
held on Friday, 25 November 2022
at 8:39AM

Present:	a: Committee Members	Mr David Nairn Cr Karen Sherry Cr Jarrod Bell Ms Jenny Johanson Mr Shannon Buckley	Chairperson
	b: Officers	Ms Sheena Frost Mr Fadi Srouf Ms Megan Kruger Mr Robert Costa – via Zoom Mr John Thomas	Chief Executive Officer Chief Financial Officer Manager Governance Acting Manager Finance Co-ordinator Risk Management
	c: Internal Auditors	Mr Kundai Mtsambiwa Mr Dulshan Kalpage	HLB Mann Judd HLB Mann Judd
	d. External Auditors	Mr Travis Derricott – via Zoom Mr Jung H. Yau – via Zoom	Victorian Auditor General's Office Victorian Auditor General's Office
	e: Observer	Cr Jodi Jackson	

The Chairman welcomed to the meeting the new Councillor Committee members, Deputy Mayor Karen Sherry and Councillor Jarrod Bell. He also noted that he had attended the Statutory Meeting where Councillor Joseph Haweil was elected as the Mayor and we congratulate him, and thanked Councillor Carly Moore, who has been a long time member of the committee and a big contributor over her time on the committee.

ORDER OF BUSINESS

1. APOLOGIES

An apology was received from Mr Mark Holloway, HLB Mann Judd.

2. DISCLOSURE OF INTEREST

2.1 The Chairperson drew the attention of the Committee Members to the provisions of the *Local Government Act 2020* and Council's Governance Rules in relation to the disclosure of conflicts of interest. Committee Members' are to disclose any conflict of interest immediately before consideration or discussion of the relevant item. Committee Members are then required to leave the meeting during discussion and not vote on the relevant item.

2.2 All people present at the meeting were required to advise the committee of any matter that the committee should be aware of.

No person present declared a conflict of interest, nor advised that there was any matter that should be brought to the attention of the Committee.

3. CONFIRMATION OF COMMITTEE MINUTES

Minutes of the Audit and Risk Committee Meeting of 29 August 2022.

RECOMMENDATION:

The Minutes of the Audit and Risk Committee Meeting of 29 August 2022, were confirmed.

4. OFFICERS' REPORTS

Report No.	Report	Page in Agenda
4.1	Matters Arising from the Minutes	3

Megan Kruger, Manager Governance provided an overview of the report, and invited discussion from the Committee. Discussion was had in relation to the Insurance Renewal 2022/23 item, including the number of exclusions, and monitoring this to ensure we are getting value for money.

In relation to the Assurance Attestations the Committee asked how we determine which third party we will ask for the Attestations? It was suggested that a process be developed so staff are aware which Attestations to request. This could be a combination of Risk Assessments and random audits. Megan Kruger advised the Committee she will discuss with Mr Mark Waldron, Chief Information Officer and Mr Carl Muller, Director Customer & Strategy.

RECOMMENDATION:

The Audit and Risk Committee noted the Report.

Report No.	Report	Page in Agenda
4.18 (LATE)	2021/2022 Final Management Letter	Late Report

Travis Derricott and Jung H. Yau provided the Committee with an overview of the Closing Report and the Final Management letter.

Travis Derricott also acknowledged the positive support received from Fadi Srour and Robert Costa.

The Committee advised that they were comfortable with the audit findings.

RECOMMENDATION:

The Audit and Risk Committee noted the Closing Report and Final Management Letter.

Report No.	Report	Page in Agenda
4.2	VAGO Update	5

Travis Derricott provided the Committee with an overview of the report.

RECOMMENDATION:

The Audit and Risk Committee note the Report.

Mr Travis Derricott and Mr Jung H. Yau, Victorian Auditor General's Office, left the meeting, the time being 8:55am.

Report No.	Report	Page in Agenda
4.3	Legislative Compliance and Ethics Program	7
	Megan Kruger, Manager Governance, provided an overview of the report and invited discussion from the Committee. Discussion was had in relation to what supporting information is provided to staff to ensure that they can be confident that there has been legislative compliance over the past 12 months. It was suggested that the Certification could be done every 6 months in line with the Personal Interests Returns so that matters are more easily recalled, and a recommendation of what support is appropriate to support the signed statement should be provided to the managers.	

RECOMMENDATION:

The Audit and Risk Committee note the Report.

Report No.	Report	Page in Agenda
4.4	Quarterly Risk Update	11
	John Thomas, Coordinator Risk Management provided an overview of the Report. Discussion was had in relation to policy updates, and what policies should be presented to the Committee for feedback before they are adopted. Megan Kruger, Manager Governance, will provide a schedule of policies to be reviewed by the Committee to the next meeting in February 2023.	

The Committee also asked that the Protective Data Security Plan audit outcomes be presented to the Committee when completed.

RECOMMENDATION:

The Audit and Risk Committee notes the Report.

Chris Bradbury, Senior Integrity Officer, joined the meeting, the time being 9:08am

Mr Dulshan Kalpage, HLB Mann Judd, joined the meeting, the time being 9:12am.

Report No.	Report	Page in Agenda
4.5	Integrity Report	15
	Chris Bradbury, Senior Integrity Officer, provided an overview of the Report, noting in reference to the matter of 3.5 Health Complaints Commissioner, this has now been finalised. It was suggested the summary table in relation to FOI be reviewed to ensure it clearly states number at the start, number received, number finalised and number not finalised and the total of the balance at the end of the period.	

RECOMMENDATION:

The Audit and Risk Committee note the Report.

Chris Bradbury, Senior Integrity Officer, left the meeting, the time being 9:27am

Nichola Hall, Senior HR Advisor, Organisational Development, and Joel Farrell, Manager Organisational Performance & Strategy, joined the meeting, the time being 9:27am.

Report No.	Report	Page in Agenda
4.6	EXpress Yourself! Employee Survey Results - September 2022	19

Nichola Hall, Senior HR Advisor, Organisational Development, provided an overview of the Report. [REDACTED]

RECOMMENDATION:

The Audit and Risk Committee note the Report.

Nichola Hall, Senior HR Advisor, Organisational Development, and Joel Farrell, Manager Organisational Performance & Strategy, left the meeting, the time being 9:39am.

Report No.	Report	Page in Agenda
4.7	Audit and Risk Committee Meeting Dates for 2023	21

RECOMMENDATION:

- 2.1 The Audit and Risk Committee determined the following as meeting dates:
 - 2.1.1 Friday, 24 February 2023
 - 2.1.2 Friday, 26 May 2023
 - 2.1.3 Friday, 25 August 2023
 - 2.1.4 Friday, 24 November 2023
- 2.2 The meetings be held at the Hume City Council offices, Broadmeadows or virtually commencing at 9:00am.
- 2.3 An invitation be extended to Audit and Risk Committee members to attend the Council Briefing to be held on Monday 4 September 2023.
- 2.4 The Audit and Risk Committee meeting schedule be placed on Council's website.

Report No.	Report	Page in Agenda
4.8	Audit and Risk Committee Business Undertaken Out of Session - Review of Service Planning and Review of Asset Management	23

RECOMMENDATION:

The Audit and Risk Committee noted the approval made out of session on the Internal Audit Scopes – Review of Service Planning and Review of Asset Management.

Report No.	Report	Page in Agenda
4.9	<p>Internal Audit - Strategic Plan 2021/24 Status Report - November 2022</p> <p>Kundai Mtsambiwa, HLB Mann Judd, provided an overview of the report. He then thanked Sheena Frost, Megan Kruger and team for their support over the past year.</p> <p>Cr Karen Sherry requested for the Committee to be provided with the cost of the Audit program for the year.</p> <p>Megan Kruger will provide a report to the Committee on costs at the next meeting.</p> <p>RECOMMENDATION:</p> <p>2.1 The Audit and Risk Committee noted the Internal Audit Strategy Update for November 2022.</p>	27
4.11	<p>Internal Audit Reports - Procurement, Capital Works, and Aquatic & Leisure Services</p> <p>Kundai Mtsambiwa, HLB Mann Judd, provided the Committee with an overview of each of the internal audits detailed in the report. The Committee felt they were all good reports and noted there were a lot of recommendations for management to work on.</p> <p>RECOMMENDATION:</p> <p>2.1 The Audit and Risk Committee noted the report.</p> <p>2.2 The outstanding recommendations be included in the Management Status Report until completed.</p>	31
4.12	<p>Internal Audit Scopes - Landfill Management & Risk Management Frameworks</p> <p>The Chair suggested the scope for landfill management consider any external reports issues on the landfill sites, complaints and also the changing environmental focus for landfills. If the Committee have any further issues with the Internal Audit Scopes, to email to Megan Kruger who will send to Kundai Mtsambiwa.</p> <p>RECOMMENDATION:</p> <p>The Audit and Risk Committee to review the Internal Audit Scopes for Landfill Management and Risk Management Framework, and provide any feedback on the Scopes to the Internal Auditors.</p>	33
4.13	<p>Recent Reports and Publications - November 2022</p> <p>RECOMMENDATION:</p> <p>The Audit and Risk Committee noted the Report.</p>	39

Report No.	Report	Page in Agenda
4.14	Quarterly Financial Report to the Audit Committee - September 2022	37

Robert Costa, Manager Finance, provided an overview of the report.

RECOMMENDATION:

The Audit and Risk Committee noted the report.

Report No.	Report	Page in Agenda
4.15	Reimbursed Out-of-pocket Expenses Paid to Councillors - 1 July to 30 September 2022	39

The Chief Executive Officer, Sheena Frost, advised the Committee of an error in the Expenses report, that an additional expense was not included for Councillor Sherry for an amount of \$3,200.00. The variations in reimbursed expenditure for newspapers and AICD courses was explained.

RECOMMENDATION:

The Audit and Risk Committee noted the report.

Report No.	Report	Page in Agenda
4.16	Management Status Report November 2022 - Audits	41

Megan Kruger, Manager Governance, provided an overview of the report, noting there will be a lot of actions added from this meeting, and we are on track to complete those with target dates before the February 2023 meeting.

The Chair noted in reference to the concern with the Audits from 2021, that it seems to be a long time to complete the actions. It is important to make sure Managers are looking at the risk raised in the required action and ensuring that is mitigated rather than taking no action until a system "update" is completed.

RECOMMENDATION:

The Audit and Risk Committee noted the management actions to date.

Report No.	Report	Page in Agenda
4.17	Proposed Agenda for February 2023 Audit and Risk Committee meeting	43

RECOMMENDATION:

The Audit and Risk Committee noted the report.

Report No.	Report	Page in Agenda
[REDACTED]	[REDACTED]	[REDACTED]

Report No.	Report	Page in Agenda
4.19	<p>Cyber Insurance Excess Update</p> <p>Carl Muller, Director Customer & Strategy, and Mark Waldron, Chief Information Officer provided an overview of the report, and invited discussion from the Committee.</p> <p>Discussion was had around the issues of concern. There needed to be further analysis of the costs and benefits of this insurance, and the Committee asked for Management to come back with an Action Plan for endorsement.</p> <p>RECOMMENDATION:</p> <p>The Audit and Risk Committee noted the report and provided feedback to Council on the options detailed in the report.</p> <p>Mr Robert Costa, Manager Finance, left the meeting, the time being 10:40am</p>	Late Report

5. PRESENTATION – PROJECT FALCON UPDATE - CARL MULLER, DIRECTOR CUSTOMER & STRATEGY, AND MARK WALDRON, CHIEF INFORMATION OFFICER

Mr Carl Muller, Director Customer & Strategy, and Mr Mark Waldron, Chief Information Officer presented the Committee with a update on Council's Project Falcon, providing an overview of the need for Council to consider moving to the ERP Replacement platform identified in the Demand IT ERP Desktop Review.

The Chair thanked Mr Carl Muller, Director Customer & Strategy, and Mr Mark Waldron, Chief Information Officer for their detailed and informative presentation and answering the Committees questions.

Mr Carl Muller, Director Customer & Strategy, and Mr Mark Waldron, Chief Information Officer, left the meeting, the time being 11:07am

6. CHIEF EXECUTIVE OFFICER'S UPDATE / EMERGING ISSUES

No update.

7. PULSE CHECK

The members were asked for feedback on the meeting, with a comment being the meeting was well Chaired and well managed.

The Chair thanked Management for the clarity of papers, which allows the committee to focus on the issues. The Chair also thanked Megan and Sheena for their guidance and assistance during the year.

The Chair thanked everyone for their contributions and wished everyone all the best for Christmas and the new year.

8. CLOSURE OF MEETING

The meeting closed at 11:11am.