

Minutes

Audit and Risk Committee

10.00am, Thursday 14 September 2023
Richmond Town Hall

1. Statement of Recognition of Wurundjeri Land

“Yarra City Council acknowledges the Wurundjeri Woi Wurrung people as the Traditional Owners and true sovereigns of the land now known as Yarra. We also acknowledge the significant contributions made by other Aboriginal and Torres Strait Islander people to life in Yarra. We pay our respects to Elders from all nations here today—and to their Elders past, present and future.”

2. Attendance

Members

David Ashmore (Chair)	Independent Member
Helen Lanyon	Independent Member
Kylie Maher	Independent Member
Cr Herschel Landes	Councillor Member

Auditors

Mark Peters	Partner, HLB Mann Judd
Kundai Mtsambiwa	Senior Manager, Audit and Assurance

Council officers

Kerry McGrath	Acting Chief Executive Officer
Brooke Colbert	GM Governance, Communications and Customer Experience
Jenny Scicluna	GM Corporate Services and Transformation
Wei Chen	Chief Financial Officer
Phil De Losa	Manager Governance and Integrity
George Lekkas	Manager Risk and Safety
Rhys Thomas	Senior Governance Advisor

Apologies

Cr Claudia Nguyen (Mayor)	Councillor Member
Mahesh Silva	Principal, RSD Audit
Daniel Distiller	Manager, RSD Audit
Sue Wilkinson	Chief Executive Officer

3. Declarations of conflict of interest

None.

4. Meeting administration

4.1 Integrity Attestation

RESOLUTION BY AGREEMENT

1. That the Audit Committee note the responses to the questions set out in this report. The responses are recorded as follows:

1A *Does anyone wish to discuss a matter with an auditor in the absence of management and other staff?*

No

2A *Has your work been obstructed in any way?*

No

2B *Do you require a session with the Audit Committee in the absence of management?*

No

3A *Have there been any compliance matters that need to be brought to the attention of the Committee, such as breaches of legislation or practices or instances of suspected, alleged, or proven fraud?*

The Acting CEO will raise a matter in the CEOs' report

3B *Have there been any matters referred by the Council to the Committee for its consideration?*

No

3C *Have there been any changes to key systems sufficient to impact Council's risk profile?*

No

3D *Have the minutes of the previous meeting been provided to Councillors and (where applicable) has the Biannual Activity Report been tabled at a Council meeting?*

The Minutes have been circulated.

There was no Biannual Report in the intervening period.

4.2 Confirmation of agenda

RESOLUTION BY AGREEMENT

1. That item 7.1 (Urgent Business – Internal Audit Plan 2023) be heard immediately after item 5.5 (Internal Audit Status Report) and that otherwise the agenda for this meeting proceed as listed.

4.3 2022 Workplan

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee authorise the changes to the Annual Workplan set out at **Attachment One**.

The meeting moved to Item 5.10

5. Matters for consideration

5.10 Audit and Risk Committee Biannual Activity Report

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee:
 - (a) recommend to Council that it formally note the following statement from the Committee:

“The Audit Committee notes that Council has proactively worked to improve its financial position over the last few financial years and will continue to receive regular reports from management and maintain oversight of the situation. The Audit and Risk Committee further notes that a significant effort is still required from Council to achieve long term financial sustainability.”
 - (b) confirm that it has further recommendations to Council in its biannual activity report in respect of the period 1 January to 30 June 2023.
 - (c) endorse the Audit and Risk Committee Biannual Activity Report for the period 1 January to 30 June 2023 at Attachment One and provide it to the Chief Executive Officer for tabling at the next available Council meeting.

The meeting moved to Item 5.8

5.8 Operation Sandon

In the context of a discussion about policy for contact between Council staff and developers, Rhys Thomas disclosed that his wife is a partner at Urbis Pty Ltd.

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee:
 - (a) note this report; and
 - (b) receive further reports on the Operation Sandon recommendations in six months (or earlier if necessary).

The meeting returned to Item 4.4

6. Meeting administration (continued)

4.4 Confirmation of minutes of the previous meeting

RESOLUTION BY AGREEMENT

1. That the minutes of the previous meetings found at **Attachment One** and **Attachment Two** be confirmed.

7. Matters for consideration (continued)

5.1 Report by the Acting Chief Executive Officer

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee note the Acting Chief Executive Officer’s verbal report.

5.2 Review of actions arising from previous meetings

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee:
 - (a) note the updated status of actions arising from previous meetings as set out in this report; and
 - (b) authorise the removal of item 221104 (Financial Sustainability Strategy) from future reports.

5.3 Quarterly Risk and Safety Update

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee notes the Risk and Safety quarterly update.

5.4 Review of actions arising from previous internal audits

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee:
 - (a) note that there are a number of duplicate actions and inconsistencies in the report;
 - (b) note all commentary in the list of actions arising from previous internal audits has been updated where necessary;
 - (c) authorise the removal of those items marked 'complete/100%' from future reports; and
 - (d) where applicable, accept the proposed 'end date' as the new revised date for each outstanding action.

5.5 Internal Audit - Status Report

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee receive the Internal Audit Status Report found at **Attachment One**.

The meeting moved to item 7.1

7. Urgent Business

7.1 Internal Audit Plan 2023

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee:
 - (a) receive the Internal Audit Plan 2023 as tabled
 - (b) endorse the plan as presented, subject to:
 - (i) removal of the follow up audit, and instead do some narrow scope legislative compliance audits;
 - (ii) the alteration of the scope of the Child Safety Review to be a high level a check in on compliance with the Child Safety standards; and
 - (iii) and that the developer contribution scope be broadened to incorporate open contributions

The meeting returned to Item 5.5

8. Matters for consideration (continued)

5.6 Internal Audit – Complaints Management

The substantive Management Customer Experience, Acting Manager Customer Experience and Coordinator Customer Operations joined the meeting for this item.

RESOLUTION BY AGREEMENT

1. That:
 - (a) the Review of Complaints Management (customers / members of the community) internal audit report found at Attachment One be received; and
 - (b) the three management actions assessed in the attached report as 'medium' risks be added to the list of actions arising from previous audits for ongoing monitoring.

5.7 Internal Audit – Tendering

RESOLUTION BY AGREEMENT

1. That:
 - (a) The Review of Tendering Processes internal audit report found at Attachment One be received;
 - (b) The two management actions assessed in the attached report as 'medium' or 'high' risks be added to the list of actions arising from previous audits for ongoing monitoring; and
 - (c) Management action #4 (vendor threshold monitoring) shall be added to the list of actions arising from previous audits for ongoing monitoring as a 'medium' risk (notwithstanding its assessed rating as a low risk).

5.9 Cyber Security Strategy

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee notes:
 - (a) the Cyber Security vision, goals and outcomes; and
 - (b) management's plans to deliver a cyber-security strategy within the framework of the larger Digital Transformation program.

6. Items for Information

6.1 Policy Library Status Report

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee note this annual report on the status of key City of Yarra policies.

6.2 Councillor Expense Policy Annual Report

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee note the annual report on the Councillor Expense Policy.

6.3 Child Safety Status Update

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee note the annual Child Safety Status Report.

6.4 e-Learning Status Update Report

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee:
 - (a) notes the status update report;
 - (b) express the view and that a 90% completion rate would be a more appropriate target for some of the key modules; and
 - (c) receive further reports every six months.

6.5 Recent Reports and Publications - Management Response

RESOLUTION BY AGREEMENT

1. That the Audit and Risk Committee note the management responses provided in this report.

5. Items for discussion (continued)

The internal auditors left the meeting.

5.11 Effectiveness of the internal audit

The Committee had a discussion in the absence of the internal auditors.

7. Meeting close

The meeting closed at 1.27pm

These minutes were confirmed on 7 December 2023

