



HEPBURN SHIRE COUNCIL
AUDIT AND RISK ADVISORY COMMITTEE
PUBLIC MINUTES

MONDAY 11 MAY 2020

ONLINE VIA VIDEO CONFERENCE DUE TO COVID-19
RESTRICTIONS

1:00PM

MINUTES

MONDAY 11 MAY 2020

Online via Video Conference

Commencing 1:00PM

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1. OPENING OF MEETING

The meeting was opened at 1:00pm.

COMMITTEE MEMBERS PRESENT:

Cr Licia Kokocinski, Cr John Cottrell, Mr Trevor Shard, Ms Carol Pagnon, Mr Robert Taylor, Ms Rachelle Tippet

COUNCIL STAFF IN ATTENDANCE:

Mr Evan King – CEO

Mr Bruce Lucas – Director Infrastructure & Development Services

Mr Bradley Thomas – Director Community & Corporate Services

Mr Bruce Maclsaac – Project Manager – Hepburn Hub (present for items 4.1 and 4.2 only)

EXTERNAL ATTENDEES:

Mr Kundai Mtsambiwa – HLB Mann Judd

Mr Mark Holloway - HLB Mann Judd

2. APOLOGIES

Nil.

3. DECLARATIONS OF CONFLICTS OF INTEREST

Ms Carol Pagnon – Holds a position on the Audit Committee of the Victorian Ombudsman

4. REPORTS

4.1. INTERNAL AUDIT REPORT – REVIEW OF PROJECT MANAGEMENT (WITH SPECIFIC FOCUS ON HEPBURN HUB AT THE REX) DIRECTOR INFRASTRUCTURE AND DEVELOPMENT SERVICES

PURPOSE

The purpose of this report is to provide to the Audit and Risk Advisory Committee (ARAC) the finalised draft Internal Audit Report – Review of Project Management with a specific focus on the Hepburn Hub at the Rex Project, as conducted by HLB Mann Judd as part of the 2019/2020 internal audit program.

MOTION

That the Audit and Risk Advisory Committee:

- 4.1.1. *Note and accept the internal audit report from HLB Mann Judd on their Review of Project Management (with a specific focus on Hepburn Hub at the Rex).*
- 4.1.2. *Accept managements responses to the recommendations and note that these will be included in the register of internal audit recommendations for implementation.*
- 4.1.3. *Acknowledges that the recommendations from the audit involve Project Management for all projects, not just the Hepburn Hub projects, and seeks a report to the September meeting of the Audit and Risk Advisory Committee on the progress of these recommendations, given the significant project in progress.*

Moved: Mr Robert Taylor

Seconded: Ms Carol Pagnon

Carried

Ms Rachelle Tippett left the Meeting at 2:00pm.

4.4. HEPBURN HUB AT THE REX – PROPOSED PROJECT PLAN
DIRECTOR INFRASTRUCTURE AND DEVELOPMENT SERVICES

PURPOSE

The development of the Hepburn Hub at the Rex (the project) has recommenced under the administration of the Project Control Group (PCG) in accordance with the resolutions of the 18 February 2020.

In summary, the total project scope, budget and program remain unchanged. The management of the program and budget within the parameters provided by Council is a key risk that is being managed. A detailed program outlining progress on a weekly basis is being monitored by the PCG and a quantity surveyor engaged to confirm the design remains on budget.

MOTION

4.4.1. *That Audit and Risk Advisory Committee receive and note this report.*

Moved: Cr John Cottrell

Seconded: Mr Robert Taylor

Carried

Ms Rachelle Tippett returned to the meeting at 2:30pm.

Mr Bruce Maclsaac left the meeting at 2:30pm and did not return.

4.2. REX/HEPBURN HUB PROJECT REVIEW – CROWE HORWATH
CHIEF EXECUTIVE OFFICER

PURPOSE

The purpose of this report is to provide to the Audit and Risk Advisory Committee (ARAC) the finalised Rex/Hepburn Hub Project Review, as conducted by Crowe Horwath.

BACKGROUND

At the 12 June 2018 meeting of the Audit and Risk Advisory Committee, the Committee recommended to Council that an internal project on the Rex Construction be commenced in two stages, from inception until the end of May 2018 and then progressive until completion, which covers the project's financial, risk management, compliance and outcome progress.

MOTION

That the Audit and Risk Advisory Committee:

4.2.1. *Note and accept the internal audit report from Crowe Horwath on the Hepburn Hub/Rex Project:*

- *Rex/Hepburn Hub Project Review 7 November 2018, and*
- *Rex/Hepburn Hub Project Review (Potential Reportable Matters) 21 December 2018.*

4.2.2. *Accept management's responses to the recommendations and note that these will be included in the register of internal audit recommendations for implementation, noting these comments were made in May 2020.*

4.2.3. *The report with management comments be returned to Crowe Horwath, for them to issue as finalised.*

Moved: Mr Robert Taylor

Seconded: Ms Carol Pagnon

Carried

4.3. INSPECTORATE INVESTIGATION UPDATE
CHIEF EXECUTIVE OFFICER

MOTION

4.3.1. *That the Audit and Risk Advisory Committee note the update from the Local Government Inspectorate regarding its investigation into the Hepburn Hub Project.*

Moved: Mr Robert Taylor

Seconded: Ms Rachelle Tippett

Carried

5. GENERAL BUSINESS

Nil.

6. NEXT MEETING

The next Audit and Risk Advisory Committee meeting will be held online via video conference Monday 25 May 2020. The in-camera session for committee members will commence at 1.00pm, with officers and external attendees joining the meeting from 1:30pm.

7. CLOSE OF MEETING

The meeting closed at 3:30pm.