

AUDIT & RISK COMMITTEE OF LAUNCESTON VFC SERVICES INC

Minutes of a meeting held on 17 April 2024 at the Boardroom, LVFC Offices, 56 Cimitiere Street, Launceston, commencing at 08:50 am.

Present: Glen Cornish, Amanda McEvoy, Kylie Bryan

Visit from Greg Harper – Camerons Auditor at 9.00 for 20 minutes.

1. Meeting Opening:

The Chair declared the meeting open at 8.55am noting a quorum was present.

2.1 Conflicts of Interest:

No conflicts of interest were declared with the meeting agenda.

Action: Nil

2.2 Minutes of Previous Meetings:

2.2.1 The ARC committee accepted the minutes of the previous meeting as being a true reflection.

2.2.2 The ARC committee reviewed the compliance report.

- *Kylie highlighted the review of wage and employment contracts and the investigation made into a volunteer speeding ticket. All resolved.*

2.3 Action Register:

Action register was reviewed and updated. All items have been addressed and are complete or ongoing and ready for presentation to the board where necessary at the next meeting.

Action: AM to update action register items

3.1 Visit from Greg Harper of Cameron's Accountants re audit.

Greg outlined the process and the audit plan paper was reviewed with all present. Greg explained their testing and reporting procedures, that they check funding agreements and terms and governance and policy and procedure review. He confirmed the timing works with our AGM, the GM commented it was fairly tight, but will work. Cameron's will need access to MYOB for the software testing and financials reviews when they process check and look for any gaps. This work can start prior to the June 30th if necessary. Greg confident it will be a straightforward process and have the resources to take on our 2024 audit.

3.1.1 Discussion of Cameron's presentation.

The ARC committee discussed the information received and checked with GM that the timelines will work. All is in order and good to proceed.

The committee reviewed and resolved to report to the board that Cameron's are prepared and have the correct resources for the 2024 audit and it is planned and the GM will give access to Cameron's to the systems to get underway.

Action: GM to include Confirmation of Cameron's audit plan and process and ARC comments to be reported in board papers at next meeting.

4.1 Risk papers review

GM flagged new requirement for DSS funding agreement that we must have clinical governance expertise on the board. This is fine currently as we have Fiona, but need to be aware if she ever steps down the board should have some contacts to reach out to with clinical governance knowledge as a stop gap while a new board member with this skill would be recruited. IT risk also flagged, but this will be addressed in discussion on Cyber Insurance.

4.2 Finance papers review

Governance expenses were down to the strategy day and the allocated budget for this being in next months budget, so all fine there. Cleaning is now weekly not monthly, so more than was budgeted for, but affordable and will be accounted for in the coming year budget amounts. GM explained other variances. Accounts changes for bank will take effect from next month and the name of the accounts on the report will change from then.

4.3 Insurance paper review

The quoted insurance packages for the coming year all look to be status quo and accepted. A quote as been secured for Cyber insurance. Discussion of the risk and board's appetite for risk in relation to the the current state of play in relation to cyber attacks and security and risk was had. All ARC members have done some reading or basic training in this area. A major factor affecting this is the age and technology the organisation currently has such as their hardware and server set up. It was unanimously agreed that we do need to take out Cyber insurance and that the amount was industry standard, but that addition of an excess and change in aggregate level may be appropriate.

The GM additionally recommended that unspent funds this year go toward an IT hardware upgrade which will further reduce cyber risk which the ARC also supports.

Recommendation to board: ARC committee agreed Cyber insurance is required for the organisation to manage risk and the policy fits purpose, but that it should be for \$250,000 and we can afford a \$2500 excess which will reduce the quoted premium.

It was also agreed that the ARC committee recommends to the board that an IT systems upgrade go ahead as per KB papers. \$25,000 out of excess funds left unspent this financial year will give a full and necessary IT hardware upgrade.

Action: KB to provide paperwork reflecting this recommendation to the board.

4.3.1 Cyber insurance discussion and recommendation

Decision: Finances and risk papers are deemed ready for presentation to the board with the GMs accompanying notes.

5 General Business

5.1 Draft budget will follow at next meeting once some capital expenditure decisions such as purchase of a van and the IT upgrade are approved as that will determine many other factors of the budget.

Action: KB to provide draft budget when ready

6. Meeting Close

Meeting closed at 10.45am. The next ARC meeting is scheduled for 9 July.

Signed as a true record:

Chair: _____

Dated: _____