

# **MINUTES**

## **Audit and Risk Committee Meeting**

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**1.30 pm - Monday 14 October 2024**

**VENUE:**

**Yarriambiack Shire Council Office, Meeting Room**

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**NEXT MEETING: 10 February 2024**  
**In Person**  
**Yarriambiack Shire Council office**

## ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

We acknowledge that the activities of Yarriambiack Shire Council are held under the traditional skies and in the waterways and lands within Wotjobaluk Country and Council pays respects to their Elders past, and present.

### 1 WELCOME

Welcome by Bruce [REDACTED] Chairperson

### 2 PRESENT

Bruce [REDACTED], Michael [REDACTED], Peter [REDACTED], Cr Corinne Heintze, Cr Kylie Zanker

Tammy [REDACTED] (CEO), Kathie [REDACTED] (RSD - Internal Auditor), Michelle [REDACTED] (RSD - Internal Auditor), Bruce [REDACTED] (Crowe - External Auditor), Tony [REDACTED] (COO), Anita [REDACTED] (Manager Corporate Services), Bernadine [REDACTED] (Manager People and Culture)

### 3 APOLOGIES

Nil

### 4 CONFLICTS OF INTEREST

Nil

#### Action

- Register of interest of independent committee members to be developed, capturing other committees not required to be reported in bi-annual personal interest return process.

### 5 MINUTES OF PREVIOUS MEETING

#### Resolution

- That the minutes from the July meeting be adopted by the Audit and Risk Committee.

### 6 BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETING

6.1 Schedule of Matters Carried Forward	Update / Outcome	Status
July Minutes: Management to provide the committee with the results of detailed internal review of key challenges with service delivery and capital delivery over the next 5 years. The review should consider service delivery and identify core vs non-core services. It should also consider capital works expenditure level in comparison to depreciation and what the minimum	February 2025	Open

<b>6.1 Schedule of Matters Carried Forward</b>	<b>Update / Outcome</b>	<b>Status</b>
spending needed to maintain the assets in their current state. The report is to be presented at the February 2025 meeting of the committee.		
July Minutes: <ul style="list-style-type: none"> <li>Management to present findings from – Recommendation #3 - Service Plan consolidation and review at October 2024 meeting</li> <li>Management to present findings from Recommendation #4- Review of centralised costing and actions undertaken at October 2024 meeting.</li> </ul>	February 2025 (delayed)	Open
July Minutes: <ul style="list-style-type: none"> <li>Fraud, Corruption and Financial Internal Controls Internal Audit scope to be presented at October 2024 meeting</li> </ul>	October 2024	Closed
Management to present a self-assessment against the recommendations from the Results of the 2022-23 Audits – Local Government in the July 2024 meeting	Update to be presented by management in October 2024	Open
List of Land for consideration for Sale	Update to be presented by management in February 2025 – as part of budget process.	Open
July Minutes: <ul style="list-style-type: none"> <li>DRFA Claim updates standard item for committee agenda</li> </ul>	October 2024 (ongoing)	Open

### Resolution

- That the Audit and Risk Committee noted the business arising from minutes of previous meetings.

## 7 ANNUAL WORK PLAN

<b>7.1 Items Deferred to Future Meetings</b>	<b>Date</b>	<b>Outcome / Action</b>
NIL		

<b>7.2 Items Brought Forward</b>	<b>Date in AWP</b>	<b>Outcome / Action</b>
NIL		

<b>7.3 Plan Revisions</b>	<b>Date in AWP</b>	<b>Outcome / Action</b>
Long Term Financial Plan to be added the financial and performance reporting responsibilities of the work plan.	May – annually	To be added to work plan

### Resolution

- That the Audit and Risk Committee endorsed the addition of review of the long term financial plan to the work plan.

## **8 COMMITTEE MANAGEMENT**

Nil

## **9 FINANCIAL AND PERFORMANCE REPORTING RESPONSIBILITIES**

### **9.1 Financial and Non-Financial Performance Report**

A report was provided that presented both the Financial and Non-Financial Performance indicators as adopted in Council's Performance Management Framework and Risk Appetite.

#### **Resolution**

- That the Audit and Risk Committee noted the Financial and Non-Financial Performance Report.

### **9.2 Annual Financial Statements and Performance Report Update for 23/24**

A verbal update was provided on the status of the Annual Financial Statements and Performance Report for 23/24, following on from the Special Audit and Risk Committee meeting held on 23 September 2024. It was noted that this item is still open, with the audit yet to be completed. This was discussed in detail at section 15 with the External Auditor.

#### **Resolution**

- That the Audit and Risk Committee noted the verbal update on the status of the Annual Financial Statements and Performance Report for 2023/24.

### **9.3 Capital Works Delivery Program**

A report was provided to give assurance to the Committee that Council Officers have a program which outlines the Capital Works delivery program for 24/25. The report outlined whether projects would be delivered internally or externally.

The report included the identification that management will not have the resources to build the Murtoa Depot Toilets in the 24/25 financial year. This will be delayed and delivered in the 25/26 financial year.

#### **Resolution**

- That the Audit and Risk Committee noted the report.

### **9.4 Disaster Recovery Funding Arrangement Status Update**

A report was provided with an update on the DRFA claim status.

Council was paid \$1.753 million as an advanced DRFA payment in respond to the October 2022 significant rain event. Council undertook \$3.5 million of works and are currently undergoing the claims process. To date we have had \$754,977 expenditure approved. This is offset against the \$1.753 million received in advance.

#### **Resolution**

- That the Audit and Risk Committee noted the report.

**Action**

- Management to provide further updates to the Committee as claims are processed via the Agenda papers.

**10 INTERNAL CONTROL ENVIRONMENT****10.1 Significant Changes to Key Systems and Risk Profile Considerations**

A report was provided that identified key changes to systems that may impact Council's strategic and operational risks.

**Resolution**

- That the Audit and Risk Committee noted the report.

**11 RISK MANAGEMENT****11.1 Review Council's Risk Profile, Treatment Plans and Risk Register Reports**

A report was provided to outline the effectiveness of Council's Risk Management Framework. The report included a status of Council's Strategic Risk register following quarterly review. The report provided details of Council's High and Extreme Operational risks, along with further details on the control measures in place for these risk.

**Resolution**

- That the Audit and Risk Committee noted the report.

**11.2 Risk Assessment – Start Time Operations Team**

A report was provided as an update on the status of the Start Times within the Infrastructure and Works, Operations team and the Assets and Emergency Management, inspector team.

The start times have been changed during the months of June, July and August, with applicable staff to commence at 7am, opposed to 6.30am.

Consultation and the formal industrial relations notification processes have taken place, and staff have received the official management directive about the change.

**Resolution**

- That the Audit and Risk Committee noted the report.

**11.3 Essential Eight Assessment and Digital Maturity – October 2024**

A report was provided to outline Council's digital maturity in reference to the Essential Eight mitigation strategies designed by the Australian Cyber Security Centre.

A YSC IT systems internal audit was undertaken in September 2024 which included Essential Eight Benchmarking. It was noted out of the 7 councils reviewed, only Yarriambiack and Council had completed a detailed, formally documented Essential Eight assessment in the previous 2 years.

The organisations maturity level remains consistent with prior period of comparison. Overall, the organisation is at a maturity level of 1. Management is working towards a

maturity level of 2 for all categories. Management is currently assessing this option and is assessing costs and approach to providing the uplift to a Maturity Level 2 across all categories.

#### **Resolution**

- That the Audit and Risk Committee noted the report.

#### **11.4 ICT Cyber Security Update**

A report provided an update on activities and actions undertaken in relation to cyber security including staff awareness and training activities undertaken and planned.

#### **Resolution**

- That the Audit and Risk Committee noted the report.

### **12 FRAUD PREVENTION SYSTEMS AND CONTROLS**

#### **12.1 Review Councils Fraud Prevention Policies, Controls and Instances of Fraud**

In accordance with section 54 (2) (c) of the *Local Government Act 2020* the Audit and Risk Committee is to monitor and provide advice on risk management and fraud prevention systems and controls. Management reported no instances of fraud or corruption and no official reports of such matters to integrity bodies as of the meeting date.

#### **Resolution**

- That the Audit and Risk Committee noted the report.

### **13 INTERNAL AUDIT**

#### **13.1 Update on Status of Annual Internal Audit Plan**

A report on the status of the annual internal audit plan was presented.

- Assurance Mapping – presented at 13.2.1
- Social Media, System Access and IT Controls - presented at 13.2.2
- Roads and Associated Infrastructure Construction Projects
  - Report presented to Committee: February 2025
- Fraud, Corruption and Financial Internal Controls.
  - Scope presented at 13.3
  - Report presented to Committee: April 2025

#### **13.2 Reports on Completed Reviews**

##### **13.2.1 Assurance Mapping**

The final Assurance Mapping report was presented to the committee. Assurance mapping provides a comprehensive view of all assurance activities across the organisation. This

information can be used to identify gaps in coverage, but also where there might be duplications of assurance where efficiencies can be gained.

#### **Resolution**

- That the Audit and Risk Committee noted the report.
- That the Audit and Risk Committee commend the Internal Auditors and Management for the quality of this report.

#### **Action**

- Management to present a roadmap at the next meeting on how the assurance map is intended to be utilised. This roadmap will consider the committee reviewing the assurance map on an annual basis through the agreed workplan.

### **13.2.2 Social Media, System Access and IT Controls**

#### **Status**

The Social Media, System Access and IT Controls Final Report was presented to the committee. All recommendations have been accepted by management and target dates for completion of action have been set and are realistic.

#### **Resolution**

- That the Audit and Risk Committee noted the report.

### **13.3 Scopes Planned Review**

The Fraud Prevention internal audit is part of the Annual Internal Audit Plan for the 24/25 financial year. The scope for the engagement was presented to the committee.

#### **Resolution**

- That the Audit and Risk Committee endorse the Project Scope for Fraud Prevention Internal Audit as attached to this report.

## **14 REGISTER OF OPEN AUDIT ACTIONS**

### **14.1 Report on status of Open Audit Actions (Internal and External)**

A report was presented to update the Committee on the status of Open Internal and External Audit Actions and recommend actions for close out.

There is a total of 11 audit actions open, with 7 classified as overdue. Two overdue actions have been addressed since the last meeting, which will reduce the total open audit actions to 9.

#### **Audit Actions Recommended for Close Out**

<b>Audit ID</b>	<b>Audit Name</b>	<b>Register</b>	<b>Task ID</b>	<b>Task Description</b>	<b>Comment</b>
36	OHS 22/23	Internal	36-3	Resolving Reported Incidents	Incident Investigation Procedure document adopted, and training rolled out for the Infrastructure and Works Department.

Audit ID	Audit Name	Register	Task ID	Task Description	Comment
39	Procurement	Internal	39-1	Matching Invoice and Purchase Order Values	Addition to address the matching of invoices and purchase order values included in the revised Procurement Policy, adopted in August 2024.

**Resolution**

- That the Audit and Risk Committee approve the actions presented in the report be marked as closed, and note the Audit Task Report.

**15 EXTERNAL AUDIT**

**15.1 External Audit Update**

A report provided on update on the status of the External Audit, following on from the September Special A&R Committee Meeting.

An update to be provided during the meeting from Bruce Preston, Audit Partner, Crowe. 1 outstanding item relating to correction of prior period note was discussed, with the requirement to have this adopted at the 25 October 2024 Council meeting.

**Resolution**

- That the Audit and Risk Committee noted the report.

**Action**

- Outstanding financial statement note be submitted to the audit and risk committee for review.

**15.2 Review of External Audit Performance**

As outlined as an action in the annual workplan, the committee reviews the external auditor performance.

**Resolution**

- That the Audit and Risk Committee Chair noted the discussion and provide feedback to VAGO.

**Action**

- The Committee Chair and Manager Corporate Services collaborate to complete VAGO Survey feedback when received.



### **15.3 VAGO Reports**

A report was presented to review VAGO Reports and assess if there are any impacts on Council. A review of the Local Government Update does not highlight any obvious impacts on Yarriambiack Shire.

#### **Resolution**

- That the Audit and Risk Committee noted the report.

## **16 COMPLIANCE & GOVERNANCE MATTERS**

### **16.1 Management Reporting**

A report presented a summary of the management reporting on key performance indicators that impact the delivery of the Council Plan objectives, Council's other adopted strategies and compliance and legislative obligations. Monitoring such activities enables the CEO, COO and Councillors to address, and to understand and manage compliance and liability risks.

#### **Resolution**

- That the Audit and Risk Committee noted the report.

### **16.2 RSD Update – Hot Topics**

A report was presented to identify integrity agency and governing body reports that may impact on Local Government.

#### **Resolution**

- That the Audit and Risk Committee noted the report.

### **16.3 VAGO Results of 2022-23 Local Government Audit Self Assessment**

A report was presented to self-assess performance in 2023/24 against the Audit Outcomes in 22/23.

#### **Resolution**

- That the Audit and Risk Committee noted the report.

## **17 REPORTING TO COUNCIL**

Nil

## **18 OTHER MATTERS**

### **18.1 CFA Caravan Park Fire Safety Guidelines Update and Management Self-Assessment October 2024**

A report was presented to self-assess the impacts of the Country Fire Authority (CFA) releasing an update to the Caravan Park Fire Safety Guidelines. The overall service delivery or budgetary impacts associated with compliance following the release of the updated Guidelines is considered to be low, despite infrastructure costs. This is due to

the fact that all caravan parks in YSC are existing and the 2024 Guidelines apply to only new or redeveloped sites.

The report recommended Council amends official caravan park rules for all YSC owned parks and prohibits the charging of electric vehicles. This recommendation has been actioned.

**Resolution**

- That the Audit and Risk Committee noted the report.

**19 GENERAL BUSINESS****19.1 Audit and Risk Committee Chair – Report on Committees Activities.**

A report from the Chairperson was circulated to the committee detailing activity undertaken for the committee for the six month period to September 2024.

**Resolution**

- That the Audit and Risk Committee noted the report to be presented to Council in November 2024.

**19.2 Audit and Risk Committee Charter Adopted**

A link to the updated and endorsed committee charter was circulated, following feedback provided by the committee in July 2024 meeting.

**Resolution**

- That the Audit and Risk Committee noted the endorsement of the revised charter.

**20 REFLECTION ON MEETING OUTCOMES**

The committee members noted the structure of meetings and papers provided are of a good standard and compared equally in a short discussion other local government audit and risk committee agendas

**Action**

- The committee members requested from management a self-assessment against the updated Child Safety Standards be presented to the committee.

**21 AGENDA FOR NEXT MEETING**

- Review Report on Gifts, Benefits and Hospitality
- Audit and Risk Committee to meet with Councillors in absence of management.
- Presentation; Manager Infrastructure and Works - Asset Vision, how we will capture road data to inform future Disaster Recovery claims.

**22 DATE OF NEXT MEETING**

10 February 2025

**23 MEETING CLOSE**

The meeting was closed at 3pm