

AGENDA

Audit and Risk Committee Meeting

3.30pm 21 July 2022

VENUE:

Yarriambiack Shire Council, Council Chambers, 34 Lyle Street Warracknabeal 3393

NEXT MEETING: Scheduled for 20 October 2022 at 3.30pm
Yarriambiack Shire Council, Council Chambers, Warracknabeal

ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

We acknowledge and pay respect to the traditional owners of the lands we meet on, for us here in Yarriambiack, that is Wotjobulok country and we pay respect to Elders past, present and emerging.

1 WELCOME

Welcome by Bruce Potgieter Chairperson

2 PRESENT

Bruce Potgieter, Diane Connolly, Martin Moynihan, Simon Coutts, Kylie Zanker, Kathie Teasdale (Internal Auditor), Tammy Smith, Anita McFarlane, Gavin Blinman and Michael Evans.

3 APOLOGIES

Karly Kirk.

4 CONFLICTS OF INTEREST

Nil to Report.

5 ANNUAL WORK PLAN

5.1 Items Deferred to Future Meetings from Work Plan (only)	Date	Outcome / Action
Item 43 Assessment of Committees Performance	October Meeting	The questions will be circulated out of session and review undertaken prior to October meeting.
Review ICT, Business Strategy and Transformation Strategy KPI's	October Meeting	Report to be presented to Council in July / August.

5.2 Items Brought Forward	Date in AWP	Outcome / Action
None		

5.3 Plan Revisions	Date in AWP	Outcome / Action
Annual Workplan Revision	July 2022	Included as an attachment in the Agenda.

Action

That the Audit and Risk Committee adopted the new Annual Workplan for the 2022-23 Financial Year.

6 MINUTES OF PREVIOUS MEETING

Action: The minutes were adopted by the Audit and Risk Committee.

7 BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETING

7.1 Schedule of Matters Carried Forward	Update / Outcome	Status
January Meeting - Item 12 - Risk Deep Dive	This item has been held over until the July Audit and Risk Committee meeting. A revised method of reporting risk updates will be developed and presented at the October meeting.	Carried forward
Essential 8 Report (ICT)	To be included in October Agenda.	Carried forward
Weed Spraying Update	Update on status to be provided at October meeting.	Carried forward
Service Level Plan List	List of Service Level Plans to be provided to Audit and Risk Committee. List has only been recently confirmed and will be presented at October meeting.	Carried Forward

8 CEO REPORT

Refer to Confidential Audit and Risk Committee Agenda – 21 July 2022.

9 FINANCIAL AND PERFORMANCE REPORTING RESPONSIBILITIES

9.1 Financial and Non-Financial Performance Report

Action

1. That the Committee noted the Financial and Non-Financial Performance Report.
2. That the Rates figures be reviewed that were included in the report and the commentary for strategic risk review in relation to number of partially effective actions be updated.

9.2 Review Changes in Significant Accounting Policies and Disclosures

AASB 2020-8 Interest Rate Benchmark reform and AASB Fair Value Measurement of Not for Profits have been identified in the External Audit Strategy. Council's initial assessment is that there are no impacts for consideration in the 2021-22 financial year.

Action

That the Audit and Risk Committee noted the report.

9.3 Review Local Government Performance Reporting Framework Changes

The aim is to inform the Audit and Risk Committee of changes to the LGPR framework. The changes are administrative in nature and do not appear to have an impact on the overall reporting requirements.

Action

That the Audit and Risk Committee noted the summary of changes document.

10 INTERNAL CONTROL ENVIROMENT

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.

Action

That the Audit and Risk Committee noted the report.

10.2 Review of Policies and Procedures consistent with Governance Principles

As part of the Audit and Risk Committee Workplan, Council is required to assess the process of reviewing policies and procedures, that aligns with the Local Government Act 2020, Governance Principles. Council has only just updated the Policy, Procedure and Guidelines template to include a checklist for Governance Principles compliance. This will be implemented as each policy is updated going forward.

Action

1. That the Audit and Risk Committee noted the templates have been updated.
2. That at next review period, in accordance with the workplan a list of all policies, procedure, plans and guidelines updated be provided, along with assurance governance principles have been reviewed and included in documents.
3. That the Internal Auditor include the governance principles check as part of the audit scopes going forward.

11 RISK MANAGEMENT

11.1 Effectiveness of Councils Risk Management Framework

A report was provided on the effectiveness of Council's Risk Management Framework.

Action

1. That the Audit and Risk Committee noted the report.
2. The Audit and Risk Committee noted that the strategic risk review is incorporated into the Financial and Non-Financial Performance report each quarter.
2. That a mapping document be completed that outline the relationship between Council's Strategic Risks and Extreme / High Operational Risks.
3. A presentation to Audit and Risk Committee on one key area of the business per meeting, where a high number of risks are present, such as Waste Management, Roads, Project Delivery etc.be implemented.
4. Develop a review plan of Risks, and how it will be reported back to Audit and Risk Committee going forward.

11.2 Insurance Review

Council's Insurance program was presented as an attachment to the Committee.

Action

That the Audit and Risk Committee noted the report.

12 FRAUD PREVENTION SYSTEMS AND CONTROLS

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.

Action

That the Audit and Risk Committee noted the report.

13 INTERNAL AUDIT

13.1 Progress Report on Delivery of Internal Audit Plan

Status

The following program has been completed to date:

- GST and FBT Audit
- Service Level Planning

The following is in progress and awaiting report:

- Disaster Recovery and Business Continuity

The following has had a report released and is with management awaiting comment.

- Occupational Health and Safety

Action

1. That the Audit and Risk Committee noted the report.
2. That the Audit and Risk Committee agreed to swap the Infrastructure and Asset Management Audit to September 2022 and the Procurement Audit to January 2023.

13.2 Reports on Completed Reviews

Nil

13.3 Scope of Planned Reviews

Nil

14 EXTERNAL AUDIT

14.1 External Audit Update

The External Auditor provided an update via email to management and the interim management report was noted.

Action

That the Audit and Risk Committee noted the Interim Management Report and email.

15 REGISTER OF OPEN AUDIT ACTIONS (INTERNAL & EXTERNAL)**Report on status of Open Audit Actions****Table One: Summary of Movements Since Last Meeting**

	Priority				
	Extreme	High	Medium	Low	Total
Open Actions at 21 April 2022	1	3	3	2	9
Add New Agreed Actions Reported in the Period	0	1	4	2	0
Sub Total	1	4	7	4	16
Less Actions Closed in the Period	0	(1)	(1)	(1)	(3)
Less Rejected Actions	0	0	0	0	0
Open Actions at 21 April 2022	1	3	6	3	13

Table Two: Summary of Overdue Open Actions (See Table Five below for details of these items)

	Priority				
	Extreme	High	Medium	Low	Total
Overdue Open Actions at 12 April 2022	1	6	1	4	12
Overdue Open Actions at 08 July 2022	1	3	1	2	7

Action

That the Audit and Risk Committee noted the report.

16 COMPLIANCE MATTERS**16.1 Review of Systems and Process to Monitor Compliance with Legislation and Regulations**

A report on the number of RelianSys compliance actions that were outstanding and the number of overdue policies, procedures and plans was completed.

Action

That the Audit and Risk Committee noted the report on Compliance Monitoring in RelianSys and Policy, Procedures and Plans overdue.

16.2 Reimbursements of Expenses to CEO, Councillors and Members of Delegated Committees**Action**

That the Audit and Risk Committee noted the report on CEO and Councillors reimbursements. Council does not have Members of Delegated Committees.

16.3 RSD Update – Hot Topics

Action

That the Audit and Risk Committee noted the RSD Hot Topics report.

16.4 CCTV Report

Action

That the Audit and Risk Committee noted the CCTV maintenance and access report.

17 OTHER MATTERS

Nil

18 GENERAL BUSINESS

Action

1. Provide members with a copy of the Inspectorate Investigation Report and Action Plan.

19 REFLECTION ON MEETING OUTCOMES

Nil

20 AGENDA FOR NEXT MEETING

Next meeting will be an Annual Financial Statements and Performance Report special meeting. Time and date to be confirmed.

21 DATE OF NEXT MEETING

September meeting to be confirmed.

22 MEETING CLOSE

Meeting closed at 4.55pm.