Yariambiack Shire Council

Audit & Risk Committee

Activity Report September 2025

1 Purpose of this Report

This report is prepared in accordance with Council's reporting requirements under section 54(5) of the Local Government Act 2020 (LGA), which requires the Audit & Risk Committee (the Committee) to report to Council twice annually on its activities, findings, and recommendations.

Importantly, this report provides Council with a summary of matters that the Committee has addressed during the reporting period to discharge its responsibilities under its Charter. The Committee's Charter is set by Council and was reviewed by the Committee at the April meeting. The revised Charter will be presented to Council for review.

This bi-annual report has been reviewed and approved by all Committee members.

2 Period of this Report

This bi-annual report covers the Committee's activity from 1 May 2025 to 30 September 2025. In that period, the Committee has met four times – on 5 May 2025, 16 June 2025, 14 July 2025 and 22 September 2025.

3 Role of the Audit and Risk Committee

The Council has established an Audit and Risk Committee (Committee) under Section 53 of the *Local Government Act 2020* (the Act) to provide independent assurance and support to the Council (and management) of the Council's risk, control and compliance framework. The Committee's responsibilities, as defined by Section 54 of the Act, are to:

- monitor compliance of Council policies and procedures with overarching governance principles and relevant laws and obligations
- monitor financial and performance reporting
- monitor and provide advice on risk management and fraud prevention controls
- monitor systems of internal control
- oversee the internal and external audit functions, and

This report fulfills the requirements of Section 54(5) of the Act by summarising the activities of the Committee and the matters it addressed during the reporting period.

4 Independence of the Committee

An independent Audit and Risk Committee is a fundamental component of a strong corporate governance culture. Council's Committee is independent of management and is not involved in any operational decisions. Committee members do not have any executive powers, management functions or delegated financial responsibilities.

5 Committee Membership and Meetings

The Committee has three independent members and two Councillor members.

The independent members collectively have skill sets and experience as mandated in s 53 of the LGA, including skills in financial management and reporting, risk management, audit and assurance programs, compliance management and internal control frameworks.

The Committee enjoys a strong and healthy working relationship with Council officers. The meeting agenda packs are of high quality and officers engage strongly and positively both during and outside meetings. Officer support for the work of the Committee is excellent.

Membership and attendance at the four meetings for the period is summarised below.

Member	Appointed	May 2025	June 2025	July 2025	September 2025
Bruce Potgieter (Chair)	27/4/2021	Attended	Attended	Attended	Attended
Peter Johnston	29/3/2023	Attended	Attended	Attended	Attended
Michael Ulbrick	29/3/2023	Attended	Attended	Attended	Apology
Kylie Zanker (Councillor)	2021	Attended	Attended	Attended	Attended
Karly Kirk (Councillor)	2024	Attended	Attended	Attended	Attended

Both the internal audit team (RSD) and the agent of the Victorian Auditor General's Office (Crowe) have attended as required.

6 Committee Business and Annual Work Plan

The agendas for the meetings are driven by the Annual Work Plan, which itemizes the activities required to be undertaken by the Committee to ensure it meets its Charter responsibilities.

Attachment: Workplan 2024-25

7 Key Activities for the Reporting Period

The work of the Committee is summarised below by each key area.

7.1 CEO Briefing

At the beginning of each meeting, the Committee meets in-camera with the CEO, focussing on the key concerns, risks and issues of most concern to the CEO and on possible remedial actions.

The Committee also received briefings from the CEO on:

- Financial Sustainability, including the results of detailed internal review of key challenges with service delivery, identifying core and non-core services and capital delivery over the next 5 years.
- State Government Guidelines for Waste Charges
- Craigs and Cannings Channel Updates
- CEO and Executive Management Recruitment and Renumeration Policy

7.2 Risk Management

The Committee's primary responsibility is to oversee the management of risk. The Committee has received detailed briefings on the risk management system and has reviewed Council's Risk Profile, Risk Appetite and Risk Treatment Plans, as well as strategic and operational risk registers.

In addition, the Committee receives a Cyber Security update at each meeting, outlining Council's digital maturity in reference to the Essential Eight mitigation strategies designed by the Australian Cyber Security Centre.

The Committee also reviewed the effectiveness of Council's BCP Framework and Testing Regime.

Management reported on the utilisation of the Risk and Compliance system, RelianSys, to ensure that Council obligations are addressed, associated risks are identified with appropriate control measures, and that the system generates assurance related reports.

7.3 Financial Management and Reporting

The Committee received detailed reports on financial management and performance at each meeting.

A focus of the Committee during this period was to monitor the works being undertaken by management regarding the systems and processes around asset management and asset recording.

The Committee also received reports on:

- the parcels of land that Council could potentially sell and the actions required to achieve sales.
- the adequacy of the primary systems in place for financial management, payroll, HR, regulatory services, customer service, and records management.

7.4 Internal Audit

Council's internal auditor, RSD Audit, was reappointed as Councils internal auditor for a four year term from 01 July 2025.

The Committee received a detailed report for the following internal audits:

- Fraud Prevention

At each meeting, the Committee reviewed and noted the status of completion of open internal audit recommendations.

7.5 External Audit

The Council's audited statutory financial statements and performance statement for the 2024 financial year were finally reviewed by the Committee at the May 2025 meeting, with audit recommending unqualified opinions, and the Committee recommended that the Council adopt and sign these statements.

The Council's audited statutory financial statements and performance statement for the 2025 financial year were reviewed by the Committee at the September 2025 meeting, and the Committee recommended that the Council adopt and sign these statements. The audit this year ran very smoothly and audit recommended unqualified opinions on the statements.

7.6 Review of Integrity Body Reports

The Committee noted at each meeting the various reports that had been released by State and other integrity bodies. Our objective is to ensure that, where significant issues have been raised elsewhere, Council has appropriate policies and procedures in place to prevent similar issues arising at YSC.

7.7 Internal Control Environment

The Manager Business Systems provided an overview of how Council has set up the Assurance Mapping obligations and linked these to Council's Operational Risk Register.

The Committee receives a presentation from management at each meeting on a significant business area, to give Committee members a greater understanding of all areas of Council business and the key risks being addressed by each area. The following presentations were received:

- Business Systems
- Asset Management

The Committee also continues to consider reports on Council's performance on important compliance matters, including compliance with the Local Government Act 2020. The Committee was satisfied with the approach to compliance matters by management.

8 Matters for Consideration During the Next Reporting Period

In addition to its usual business, the Committee sees the following matters as its priority:

- Continuing improvements in risk management and improvements to the Assurance Map
- Monitoring financial sustainability and further maturity of the long-term financial plan

9 Conclusion

If Council wishes to be briefed by the Committee on any matters raised in this report, I will be delighted to attend as required.

Yours sincerely

Bruce Potgieter - Chair

On behalf of the Audit & Risk Committee

30 October 2025