Yariambiack Shire Council
Audit & Risk Committee
Activity Report May 2026

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 October 2025 to May 2026. In that period, the Committee has met three times – on 10 November 2025, 9 February and 11 May 2025.

In addition, the Committee attended, with Councillors, a presentation by LGeX (Local Government Experts) on their reviews of Council's Long Term Financial Plan and Council's Waste & Recycling Service.

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 three meetings for the period is summarised below.

Member	Appointed	November 2025	February 2026	May 2026
Bruce Potgieter (Chair)	27/4/2021	Attended	Attended	Attended
Peter Johnston	29/3/2023	Attended	Attended	Apology
Michael Ulbrick	29/3/2023	Attended	Attended	Attended
Kylie Zanker (Councillor)	2021	Attended	Attended	Attended
Karly Kirk (Councillor)	2024	Attended		
Andrew McLean (Councillor)	2026		Attended	Attended

The terms of independent members Peter Johnston and Michael Ulbrick expired after the February 2026 meeting and both were reappointed b Council for a further term.

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.

A self-assessment of the performance of the Committee was tabled at the February 2026 meeting, acknowledging the strong and constructive working relationship between the Committee leadership and management.

Attachment: Workplan 2025-26 (in Forum Report)

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:

- Transition of Early Years Service
- Municipal Building Service Shared Service
- Donald Mineral Sands project and impact on Council assets

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 and Council's insurance program.

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.

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.

At the November meeting, a presentation was provided to the Audit and Risk Committee on how Management have addressed Assurance Mapping, to ensure this key control document remains up to date.

7.3 Financial Management and Reporting

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

The Committee continued to monitor the works being undertaken by management regarding the systems and processes around asset management and asset recording.

The Committee also continued to review the Long Term Financial Plan and financial stability.

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 and approved the audit plan for 2025/26, being reviews of:

- Child Safety Standards
- Emergency Management

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

7.5 External Audit

The Council's auditor tabled the Planning Memorandum for the audit of the statutory financial statements and performance statement for the 2026 financial year at the May 2026 meeting.

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

Key matters considered at each meeting are shown below:

Topic	**10/11/25**	**9/2/26**	**11/5/26**
Policy and Controls for Use of Artificial Intelligence	✓		✓

Utilisation of the Risk and Compliance system, RelianSys		✓	
Long Term Financial Plan	✓		
Status of Waste Management service		✓	✓
Fuel management and anti-theft procedures	✓		
Parcels of land that Council could potentially sell and the actions required to achieve sales.	✓		
Impact of recent changes to OHS regulations and standards	✓		✓
Cash handling controls at the waste management and caravan park sites.		✓	

The Committee reviews Councils Fraud prevention policies and controls at each meeting and receives reports on instances of fraud

The Committee received reports or presentations 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:

- Gender Equality and OHS Regulations
- Business Continuity Planning Framework and Testing Regime
- Links between Council's Operational Risk Register and the Assurance Mapping process

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