Yarriambiack
SHIRE COUNCIL

MINUTES

Audit and Risk Committee Meeting

Monday 22 September 2025 – 12.00pm, Online

Special Audit and Risk Committee Meeting Endorsement of Financial Statements and Performance Report

VENUE:

Teams Online

NEXT MEETING: **10 November 2025**
In Person
Yarriambiack Shire Council Office

Ordinary Meeting Structure

Time	Attendees
12.00pm – 1.00pm	Audit and Risk Committee Members, Management and Auditors

Members

Member Status and Position	Name	Year Appointed to A&R Committee	Term Expiry
Chair	Bruce Potgieter	27 April 2022	27 April 2028
Independent Member	Michael Ulbrick	29 March 2023	29 March 2026
Independent Member	Peter Johnston	29 March 2023	29 March 2026
Councillor	Karly Kirk	2024	
Councillor (Mayor)	Kylie Zanker	2021	

Attendees

Position	Name
Chief Executive Officer	Tammy Smith
External Auditor – Crowe	Cassandra Gravenall
Chief Operating Officer	Tim Rose
Chief Financial Officer	Anita McFarlane
Monique Metlika	Governance Support Officer
Business Lead Asset Systems, Networks and Planning	Vanessa Lantzakis
Asset Coordinator	Peter Schnorrenberg
Chief Engineering Officer	Joel Turner

Meeting Dates

Date	Time
22 Sept 2025 (Special Meeting – Modified Agenda)	12.00pm
10 November 2025	12.00pm
09 February 2026	12.00pm
11 May 2026	12.00pm
10 August 2026	12.00pm
21 September 2026	12.00pm

Governance Principles

- Council decisions are to be made, and actions taken in accordance with relevant law.
- Priority is to be given to achieving the best outcomes for the municipal community, including future generations.
- The economic, social, and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.
- The municipal community is to be engaged in strategic planning and strategic decision making.
- Innovation and continuous improvement is to be pursued.
- Collaboration with other Councils and Governments and statutory bodies is to be sought.
- The ongoing financial viability of the Council is to be ensured.
- Regional, state, and national plans and policies are to be taken into account in strategic planning and decision making.
- The transparency of Council decisions, actions and information is to be ensured.

Financial Management Principles

- Revenue, expenses, assets, liabilities, investments, and financial transactions must be managed in accordance with a Council's financial policies and strategic plans.
- Financial risks must be monitored and managed prudently having regard to economic circumstances.
- Financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community.
- Accounts and records that explain the financial operations and financial position of the Council must be kept.

Our Vision

A strong and connected community prioritising sustainable and innovative approaches to support the well-being of our people, economy and environment.

We will achieve this shared vision by:

✓ Looking after our communities, with an aim of enhancing social connection through better infrastructure, safety, wellbeing, advocacy, health and education services.

✓ Supporting the diversification of our economy by focusing on tourism and agriculture.

✓ Committing to environmental responsibility by making decisions that consider the impact on our community ecosystem.

Continuous Improvement

We drive continuous and sustainable improvement in service provision, operational efficiency, and stakeholder relations to create a leading organisation.

ICARE Values

Integrity	• Make decisions lawfully, fairly, impartially, and in the public interest. • We are honest, trustworthy, reliable, transparent and accountable in our dealings. • Keep our customers informed, in plain language, about the process and outcome.
Community Focus	• Lead and develop leadership within our community. • Constantly strive to improve our services. • Forge closer relationships with customers.
Accountability	• We are careful, conscientious and diligent. • Use public resources economically and efficiently. • Investigate matters thoroughly and objectively.
Respect	• Treat people fairly, with respect and have proper regard for their rights. • Treat our customers with courtesy and respect.
Excellence	• Actively pursue positive outcomes for the community. • Investigate matters thoroughly and objectively.

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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 Potgieter Chairperson

2 PRESENT

Bruce Potgieter, Peter Johnston, Cr Karly Kirk, Cr Kylie Zanker, Cassandra Gravenall, Tammy Smith, Vanessa Lantzakis, Joel Turner, Anita McFarlane and Peter Schnorrenberg.

Minute Taker: Monique Metlika

3 APOLOGIES

Michael Ulbrick.

4 CONFLICTS OF INTEREST

Nil.

5 ANNUAL FINANCIAL REPORTS

5.1 Revaluation Review Report

Prepared by Peter Schnorrenberg, Asset Coordinator

Purpose

The Victorian Auditor General’s Office recommends that management prepares a paper on their approach to assessing fair value of assets and tables this report with Audit and Risk Committee before the end of June each year. The report was initially tabled on the 16 June 2025 at the Special Audit and Risk Committee Meeting to discuss Asset Management. The Asset Revaluation Review Report is now finalised and is being presented for final adoption.

Attachments

Attachment: Yarriambiack Shire Council Asset Revaluation Report 2024/2025

Status

The Aset Revaluation Review Report has been finalised and is being presented to the A&R Committee for review and final endorsement.

Resolution

That the Audit and Risk Committee endorse the report.

5.2 Annual Financial Statements and Performance Report

Management Representative: Anita McFarlane, Chief Financial Officer

Purpose

In accordance with the Local Government Act 2020 (Section 98 and 99), that came into effect on 24 October 2020, Council is required to approve a set of financial statements in principle and submit the resolution with the Financial Statements to the Victorian Auditor General Office (VAGO).

The Audit and Risk Committee is scheduled to consider the Annual Financial Accounts and Performance Statement at its meeting scheduled for the 22 September 2025. It is recommended that the Committee move a recommendation that Council approve the Annual Financial Statements and Performance Statement in principle, subject to no material change as a result of the Victorian Audit General's Office (VAGO) review

Attachments

Attachment: Draft Financial Statements 2024/25

Attachment: Draft Performance Report 2024/25

Discussion

Financial Report

Key financial data for the 2024-2025 financial year includes:

Financial Overview	2024 $'000	2025 $'000
Total income	26,007	30,939
Total expenses	(29,353)	(32,372)
Surplus/Deficit	(3,346)	(1,432)
Comprehensive result	(4,970)	(1,210)
Cash balance	6,382	10,946
Total equity	225,380	224,170

- The 2025 total income of $30.939 million is more than 2024 due to the early payment of 50% of the 2025/26 Federal Assistance Grant.
- Total expenses for 2025 of $32.372 million is $3.018 million more than the prior year mainly due to increase in depreciation.
- The comprehensive result is a $1.210 million deficit for the 2024/25 year.
- Council's cash balance as of 30 June 2025 was $10.946 million comprising $7.968 million 'cash and cash equivalents' plus $3.444 million cash from term deposits that are disclosed as 'other financial assets'. The total cash balance of $11.413 million is $4.585 million more than the prior year of $6.828 million mainly due to the timing of grants being received in advance prior to 30 June 2023. An early payment of 50% of the 2025/26 Federal Assistance Grant was received in advance prior to 30 June 2025.
- Total equity has decreased from $225.380 million to $224.170 million.
- Capital spending of $8.521 million was under budget during 2024/25 by $122,411.

Performance Statement

- The draft Performance Statement 2024/25 is in the tenth year of reporting against the auditable measures of the Local Government Performance Reporting Framework (LGPRF).

- Reporting has been prepared in accordance with relevant Local Government Better Practice Guides - Performance Reporting Framework Indicator Workbook.
- Comments have been provided for all performance measures, and where possible comment on trend over time and any material variations (+/- 10%) for current year versus prior year results. Variations of +/- have occurred in a significant number of performance measures.
- Financial Performance Measures are identified by the following LGPRF broad classifications:
  - *Liquidity* – Council is able to meet its liabilities when they fall due.
  - *Obligations* – including the ability to fund asset renewal while maintaining loan borrowing within prudent limits.
  - *Stability* – a measure of rate concentration and rate effort. The stability measure assesses the total of rate revenue relative to total revenue and relative to property values.
  - *Underlying surplus* – Council's ability to generate a surplus from day to day activities.

Resolution

The Annual Financial Report and Performance Statement be received and noted.

1. Acknowledge that the Governance and Management Checklist has been received and noted.
2. The Audit and Risk Committee recommends that Council approve in principle the annual financial report and performance statement (the statements) for the year ended 30 June 2025, subject to any significant changes to the Statements that may arise from review by VAGO, and that Council authorises the Chief Executive Officer, the Mayor and a Councillor to certify the final version of the statements.
3. Notes that the Principal Accounting Officer will make minor amendments to the Statements for the year ended 30 June 2025 to meet VAGO requirements and provide a summary of changes to the Committee.
4. Requires any significant changes to be made to the Statements for the year ended 30 June 2025 will first be discussed with the Chair of the Audit and Risk Committee.
5. The Committee acknowledges the professionalism and commitment of the Chief Executive Officer and Asset and Finance teams over the past year and commends their performance in delivering such a clean set of Statements and achieving such a clean audit report.

Moved: Peter Johnston **Seconded: Cr Kylie Zanker**

Motion Carried

NOTES DURING MEETING

ACTIONS

- Concern raised regarding 20% increase in average rates per property from the 2025 actuals to the 2026 forecast. Anita will look into this and provide a response.
- Anita to add in comments regarding cash deposits.
- Recommendation to elaborate on comments concerning unavailable performance measures.

6 EXTERNAL AUDIT

6.1 Auditors' Draft Closing Report

Attachment: Draft Closing Report

6.2 Auditors' Draft Final Management Letter with Observations

Attachment: Draft Final Management Letter with LG Report Recommendations

6.3 Governance and Management Checklist

Attachment: Governance and Management Checklist

NOTES DURING MEETING
Audit and Risk Committee requested in-camera session with external auditor after the closure of this meeting.

7 REPORTING TO COUNCIL

7.1 Confirmation of Minutes of Audit and Risk Committee Being Presented to Council

This section is included to provide assurance that the Audit and Risk Committee minutes are tabled as part of the Ordinary Council Meeting for endorsement. As per item 45 of the Workplan.

Attachment: Audit and Risk Committee Minutes Endorsed at Ordinary Council Meeting 23 July 2025

8 DATE OF NEXT MEETING

Monday 10 November 2025 at 12 noon, Ordinary Audit and Risk Committee Meeting, in person.

9 MEETING CLOSE

Time: 12.28pm

---THE END---