



# **MINUTES**

## **Audit and Risk Committee Meeting**

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**3.30pm Thursday 19 January 2023**

**VENUE:**

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

**NEXT MEETING:** Scheduled for 20 April 2023  
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, Cr Kylie Zanker, Cr Corinne Heintze, Paul Harrison (Internal Auditor), Tammy Smith (CEO), Anita McFarlane (Manager Corporate Services), Joel Turner (Acting Director Assets & Operations), Tony Caccaviello (Director Business Strategy & Performance)

### 3. APOLOGIES

Simon Coutts, Kathie Teesdale (Internal Auditor), Martin Thompson (External Auditor), Gavin Blinman (Director Community & Wellbeing), Michael Evans (Director Assets & Operations)

### 4. CONFLICTS OF INTEREST

Nil

### 5. PRESENTATION – RISK MANAGEMENT MANUAL

A report was presented on Council's risk management module and a demonstration of how this framework is applied in the risk management system, RelianSys.

#### Action

- That the Audit and Risk Committee noted the report.
- That the Audit and Risk Committee participate in a workshop to review the Security and Technology Strategic Risk at the April 2023 meeting.

### 6. ANNUAL WORK PLAN

6.1 Items Deferred to Future Meetings	Date	Outcome / Action
Item 43 Assessment of Committees Performance	January Meeting	Included as an attachment in the Agenda.

6.2 Items Brought Forward	Date in AWP	Outcome / Action
None		

6.3 Plan Revisions	Date in AWP	Outcome / Action
None		

#### Action

- That the Annual Work Plan actions are noted by the Audit and Risk Committee.

## 7. MINUTES OF PREVIOUS MEETING

### Action:

- The minutes from the October and Special September meetings were adopted by the Audit and Risk Committee.

## 8. BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETING

8.1 Schedule of Matters Carried Forward	Update / Outcome	Status
12.2 Essential Eight Assessment and Digital Maturity	Workplan to be updated to included report every second meeting.	Closed

## 9. CEO REPORT

Refer to Confidential Audit and Risk Committee Agenda – 19 January 2023.

## 10. FINANCIAL AND PERFORMANCE REPORTING RESPONSIBILITIES

### 10.1 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.

#### Action

- That the Audit and Risk Committee noted the report.

#### Noted

## 11. INTERNAL CONTROL ENVIRONMENT

### 11.1 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.

### 11.2 Governance Principles – Policies and Procedures

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. A report was provided to update the committee on Council's progress towards this requirement on recently updated documents.

**Action**

- That the Audit and Risk Committee noted the templates have been updated.
- That the Internal Auditor include the governance principles check as part of the audit scopes going forward.

**12. RISK MANAGEMENT****12.1 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.

**Action**

- That the Audit and Risk Committee noted the report
- That the Committee note that risks Swimming Pool Register Risk (risk 82) and Trees Risk (risk 91) will be completed by April 2023 and reported to the Audit and Risk Committee.

**13. 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.

**14. INTERNAL AUDIT****14.1 Progress Report on Delivery of Internal Audit Plan**

The purpose of this report is to provide an update to the Audit and Risk Committee on the status of the internal audit program as of January 2023. A revised internal audit plan based on recommendations from meeting of the Audit and Risk Committee held on 20 October 2022 was presented.

*The following program has been completed to date:*

- Occupational Health and Safety
- Disaster Recovery and Business Continuity

*The following is in progress:*

- Infrastructure Asset Management (delayed)

**Action**

- The Audit and Risk Committee noted the report.
- The Audit and Risk Committee approved the Revised Internal Audit Plan

**14.2 Reports on Completed Reviews**

Nil

**14.3 Scope of Planned Reviews**

A scope for the internal audit of procurement was provided.

**Action**

- That the Audit and Risk Committee accepted the scope

**14.4 Audit and Risk Committee Review on Performance**

RSD provide results of Committee survey conducted for the 2022-23 year,

**Action**

- That the Audit and Risk Committee noted the report
- That the distribution approach of future surveys be reviewed with the aim of increasing engagement of the survey with committee members.

**15. EXTERNAL AUDIT****15.1 External Audit Update**

The report presented the Final Management Letter for the 2021-22 Financial Year.

**Action**

- That the Audit and Risk Committee noted the report.
- That the Audit Planning Memorandum be provided to the committee for the April 2023 meeting from the External Auditor
- That the Audit and Risk Committee receive an interim management letter from the external auditor at the July 2023 meeting

**15.2 VAGO Reports Impacts on Council**

The report presented the VAGO Status Report for December 2022.

**Action**

- That the Audit and Risk Committee noted the report.
- That the audit and risk committee receive from management a self-assessment against findings from the VAGO audit reports on Regulating Private Pool and Spa Safety and Regulating Food Safety audits

**16. REGISTER OF OPEN AUDIT ACTIONS (INTERNAL & EXTERNAL)****16.1 Report on status of Open Audit Actions**

A report was presented on the status of Open Internal and External Audit Actions.

**Table One: Summary of Movements Since Last Meeting**

	Priority				Total
	Extreme	High	Medium	Low	
<b>Open Actions at 12 October 2022</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>7</b>
Add new Agreed Actions Reported in the Period OHS, Business Continuity and Inspectorate Outcome Draft Report	-	0	8	16	24

Less Actions Closed in the Period	0	0	0	0	0
<b>Open Actions at 11 January 2023</b>	<b>0</b>	<b>3</b>	<b>12</b>	<b>16</b>	<b>31</b>

Table Two: Summary of Overdue Open Actions

	Priority				Total
	Extreme	High	Medium	Low	
Overdue Open Actions at 12 April 2022	1	6	1	4	12
Overdue Open Actions at 08 July 2022	1	3	1	2	7
Overdue Open Actions at 12 October 2022	0	1	2	0	3
<b>Overdue Open Actions at 11 January 2023</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>8</b>

**Action**

- That the Audit and Risk Committee noted the report.
- That the Audit and Risk Committee receive a presentation from officers on the Asset Management System and how information is being captured in the system at the April 2023 meeting.

**17. COMPLIANCE MATTERS****17.1 Review of Systems and Process to Monitor Compliance with Legislation and Regulations**

A report was provided to outline managements compliance with legislative frameworks.

**Action**

- That the Audit and Risk Committee noted the report
- That the Audit and Risk Committee accept the agreed completion dates as assigned in the report.

**17.2 RSD Update – Hot Topics****Action**

That the Audit and Risk Committee noted the report.

**17.3 CCTV Report**

A report was provided as to when the CCTV has been accessed and the reasons for access.

**Action**

That the Audit and Risk Committee noted the report.

**17.4 Gifts, Benefits and Hospitality**

The Annual Work Plan outlines that the Gifts, Benefits and Hospitality Register be reviewed by the Audit and Risk Committee on an annual basis.

**Action**

That the Audit and Risk Committee noted the report.

**18. REPORTING TO COUNCIL**

In accordance with the Local Government Act 2020, The Audit and Risk Committee must:

- a) Undertake an annual assessment of its performance against the Charter and it must be tabled at the following Council meeting, and
- b) Prepare a bi-annual report that describes the activities of the Audit and Risk Committee and include findings and recommendations.

**Action**

- That the Chairpersons report be circulated to the committee out of session.
- That the Chairperson's report be tabled at the Council Forum on 22 February 2023
- The next Chairpersons Report be provided to Council at the September 2023 Council Forum and Meeting, where the Councillors will consider the Annual Financial Statements and Performance Statements.

**19. OTHER MATTERS****19.1 Rate Cap Impact on Medium to Long Term Financial Plan Discussion****Action**

- That the Audit and Risk Committee receive a presentation of the Long Term Financial Plan at the next committee meeting

**20. GENERAL BUSINESS****20.1 Resignations**

An email has been received from Diane Connolly, notifying the CEO of her resignation from the Audit and Risk Committee.

**Action**

- That the Audit and Risk Committee noted the report.
- That the Chairperson thanked Diane for her contribution to the committee over the past 6 years.

**20.2 Advertising of Committee Position – Expiry of Terms**

The Committee positions expire in March 2023. Positions to be declared vacant and advertised.

**Action**

- That advertisement for Audit and Risk Committee members commences.

**21. REFLECTION ON MEETING OUTCOMES**

Nil

## **22. AGENDA FOR NEXT MEETING**

That the next meeting include:

- Asset Management System Presentation
- Security and Technology Strategic Risk Review/Workshop
- ICT Security Controls Report
- Swimming Pool Register Risk (risk 82) and Trees Risk (risk 91) Report
- Audit Planning Memorandum from External Auditor
- Self-Assessment Report on Regulating Private Pool and Spa Safety and Regulating Food Safety VAGO audits.
- Long term financial plan report

## **23. DATE OF NEXT MEETING**

The next scheduled meeting is 20 April 2023

## **24. MEETING CLOSE**

Meeting closed at 4.50pm.