



MINUTES

Audit and Risk Committee Meeting

3.30pm Monday 26 June 2023

VENUE:

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

NEXT MEETING: Scheduled for 17 July 2023
Yarriambiack Shire Council, Council Chambers, Warracknabeal

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 of the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk people and Council pays respects to their Elders past, present and emerging.

1 WELCOME

Welcome by Bruce Potgieter Chairperson

2 PRESENT

Bruce Potgeiter, Michael Ulbrick, Peter Johnston, Cr Kylie Zanker, Cr Corinne Heintze, Kathie Teasdale (Internal Auditor), Paul Harrison (Internal Auditor), Tammy Smith (CEO), Anita McFarlane (Manager Corporate Services), Tony Caccaviello (Director Business Strategy and Performance), Michael Evans (Director Assets and Operations), Gavin Blinman (Director Community and Wellbeing).

Martin Thompson (External Auditor) attended virtually for item 15.

3 APOLOGIES

Nil

4 CONFLICTS OF INTEREST

Nil

5 PRESENTATION

A report was presented by management with a plan for future briefings from management to the Audit and Risk Committee.

Action

- That a briefing on Digital Transformation be presented at the July 2024 meeting.

Resolution

- The Committee endorsed the Presentation Plan with the addition of a briefing on Digital Transformation for the July 2024 meeting.

6 ANNUAL WORK PLAN

6.1 Items Deferred to Future Meetings	Date	Outcome / Action
Review of Committee Charter	June 2023	Deferred to July Meeting
Review of Council's risk appetite statement	June 2023	Deferred to July Meeting

2.5 Review Business Continuity Planning framework and testing regime –	June 2023	Defer to October Meeting Currently reviewing and implementing actions from BCP IA.
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6.2 Items Brought Forward	Date in AWP	Outcome / Action
NIL		

6.3 Plan Revisions	Date in AWP	Outcome / Action
43 – Report on Committee’s Activities to Council	Meeting 1 – Oct Meeting 3 – June	Special Meet – September Meeting 2 – February
26 – Provide the opportunity to meet with internal auditor in the absence of management	Meeting 1 – Oct Meeting 3 – June	Meeting 4 – July Meeting 2 – February

Resolution

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

7 MINUTES OF PREVIOUS MEETING

Resolution

- The minutes from the January meeting 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
Asset Management System Presentation	Implementation in progress around asset modelling software, and finalising integration with field app. Defer presentation to October meeting	Open
Security and Technology Strategic Risk Review/Workshop	Refer to 12.3	Closed
ICT Security Controls Report	Refer to 12.4	Closed
Swimming Pool Register Risk (risk 82) and Trees Risk (risk 91) Report	Refer to 12.3	Closed
Audit Planning Memorandum from External Auditor	Refer to 15.1	Closed
Self-Assessment Report on Regulating Private Pool and Spa Safety and Regulating Food Safety VAGO audits.	Private Pool and Spa Safety - Refer to 15.2 Regulating Food Safety VAGO audit has not yet been tabled. Self-Assessment to be completed in July	Closed Open
Long term financial plan report	Refer to 10.2	Closed

9 CEO REPORT

Refer to Confidential Audit and Risk Committee Agenda – 26 June 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 receive details of the progress of the Capital program at the October 2023 meeting.

Resolution

- The Committee noted the report.

10.2 Long Term Financial Plan

A report was provided to present Council's Long Term Financial Plan over a 10-year period.

Action

- That the Audit and Risk Committee receive a report for discussion in the July 2023 meeting outlining the underlying assumptions of the Long-Term Financial Plan

Resolution

- The Committee noted the report.

11 INTERNAL CONTROL ENVIROMENT

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.

Resolution

- The Audit and Risk Committee noted the report.

12 RISK MANAGEMENT

12.1 Review Effectiveness of Risk Management Framework

A report was provided to outline the effectiveness of Council's Risk Management Framework

Resolution

- The Audit and Risk Committee noted the report.

12.2 Review Council's Risk Profile, Treatment Plans and Risk Register Reports

A report was provided on status of Council's strategic risk register, operational risk register and high and extreme risks and their control measures and effectiveness.

Action

- That management include a report on its assessment of likelihood of occurrence of strategic risks for the July 2023 meeting.

Resolution

- The Committee noted the report.

12.3 Essential Eight Assessment and Digital Maturity

A report was provided to outline Council's digital maturity in reference to the Essential Eight mitigation strategies designed by the Australian Cyber Security Centre.

Action

- That a summary assessment to Essential 8 category criteria be reported to the committee at 6-month intervals.

Resolution

- The Committee noted the report.

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.

Resolution

- The Committee noted the report.

14 INTERNAL AUDIT

14.1 Review and Approve Strategic Internal Audit Plan

A report was provided to review the Strategic and Annual Internal Audit Plan

Resolution

- The Audit and Risk Committee noted the report and approved the 2023-24 financial year strategic internal audit plan to include audits on:
 - Risk Management
 - Budget Management
 - Child Safety Standards
 - Social Media, Systems Access and IT Controls
 - Information Management

14.2 Update on Status of annual internal audit plan

A report was presented on the status of the internal audit program as of June 2023. The following program has been completed to date.

Resolution

- The Audit and Risk Committee noted the report

14.3 Reports on completed reviews.

A report was presented on the internal audits completed during the period:

- Infrastructure Asset Management
- Procurement.

Resolution

- The Audit and Risk Committee noted the report

14.4 Scope of Planned Reviews

Resolution

- That the Audit and Risk Committee receive scopes for review at the July 2023 meeting on the approved internal audits of:
 - Risk Management
 - Budget Management
 - Child Safety Standards
 - Social Media, Systems Access and IT Controls
 - Information Management

15 EXTERNAL AUDIT

15.1 External Audit Scope and Plan (review and approve)

A report was presented of the External Audit Scope and Plan for review and approval for the 2022-23 Financial Year and the interim audit management letter.

Resolution

- The Audit and Risk Committee noted and approved the Audit Strategy Memorandum.

15.2 VAGO Reports Impacts on Council

The report presented the VAGO Status Report for April 2023.

Action

- That the Audit and Risk Committee receive a report on the cost and impact assessment relating to pool inspection compliance activities.

Resolution

- The Committee noted the report.

16 REGISTER OF OPEN AUDIT ACTIONS (INTERNAL & EXTERNAL)

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				
	Extreme	High	Medium	Low	Total
Open Actions at 11 January 2022	0	3	12	16	31
Add new Agreed Actions Reported in the Period	-	0	0	0	0
Less Actions Closed in the Period	0	3	5	8	16
Open Actions at 26 June 2023	0	0	7	8	15

Table Two: Summary of Overdue Open Actions

	Priority				Total
	Extreme	High	Medium	Low	
Overdue Open Actions at 08 July 2022	1	3	1	2	7
Overdue Open Actions at 12 October 2022	0	1	2	0	3
Overdue Open Actions at 11 January 2023	0	2	5	1	8
Overdue Open Actions at 26 June 2023	0	0	6	3	10

Resolution

- The Audit and Risk Committee approved the actions presented in the report be marked as closed.

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

A report was provided outline managements compliance with legislative frameworks.

Resolution

- The Audit and Risk Committee noted the report and accepted the agreed completion dates as assigned in the report.

17.2 RSD Update – Hot Topics

A report was provided to summarise integrity agency and governing body reports that may impact on Local Government during the period.

Resolution

- 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.

Resolution

- That the Audit and Risk Committee noted the report.

17.4 CEO and Director Employment and Remuneration Policy

The CEO and Director Employment and Remuneration Policy was presented for review by the by the Audit and Risk Committee as per The Annual Work Plan.

Resolution

The Audit and Risk Committee noted the report as reviewed and make a recommendation to Council to:

- Utilise the independent chair of the CEO Employment and Remuneration Committee as part of the CEO recruitment process.
- Continue with the practice adopted for reviewing CEO performance.

18 OTHER MATTERS

Nil

19 GENERAL BUSINESS

Nil

20 REFLECTION ON MEETING OUTCOMES

- Induction Process for new independent members that was held prior to the meeting was noted as valuable.

21 AGENDA FOR NEXT MEETING

- Rabl Park Murtoa – Footbridge

Actions Arising From Meeting

Task	Responsible	Date
Long Term Financial Plan Assumptions	DBSP	July
Strategic Risk Likelihood Assessment	DBSP	July
Cost and impact assessment relating to pool inspection compliance activities	DAO	July
Scope of the next five internal audits	RSD	July
Status and details on progression of capital program	DBSP	October

22 DATE OF NEXT MEETING

The next scheduled meeting is 17 July 2023 at Warracknabeal, with the Committee agreeing that the start time of future meetings to be held from 12pm going forward.

23 MEETING CLOSE

Meeting closed at 5.00pm