



MINUTES

Audit and Risk Committee Meeting

12.45pm Monday 19 February 2024

VENUE:

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

NEXT MEETING: Scheduled for 15 April 2024
Location: Online

Ordinary Meeting Structure

Time	Attendees
12.00pm – 12.45pm	Confidential Agenda: Audit and Risk Committee Members, CEO, MCS and WIW only time.
12.45pm Meeting Commences	Ordinary Agenda: Audit and Risk Committee Members, CEO, Management Representatives, External and Internal Auditors.

MEMBERS:

Member Status and Position	Name	Year Appointed to A&R Committee	Term Expiry
Chair	Bruce Potgeiter	27 April 2022	27 April 2025
Independent Member	Michael Ulbrick	29 March 2023	29 March 2026
Independent Member	Peter Johnston	29 March 2023	29 March 2026
Councillor	Corinne Heintze	2023	
Councillor	Kylie Zanker	2021	

ATTENDEES:

Position	Name
Chief Executive Officer	Tammy Smith
Internal Auditor – RSD Auditors	Kathie Teasdale Paul Harrison
External Auditor – Crowe	Martin Thompson
Chief Operating Officer	Tony Caccaviello
Manager Corporate Services	Anita McFarlane
Manager People and Culture	Bernadine Schilling
Manager Assets and Emergency Management	Michael Evans (Asset Management Presentation)
Manager Infrastructure and Works	Joel Turner (Capital Projects Update & NVHR Update)

MEETING DATES:

Date	Time
Monday, 15 April 2024 - Online	12.00pm
Monday, 15 July 2024	12.00pm
September 2024 – Special Meeting – TBC - Online	12.00pm
October 2024 – TBC	12.00pm
February 2025 – TBC	TBC
April 2025 – TBC	TBC
July 2025 – TBC	TBC

OUR VISION

A connected rural community who values its land and wellbeing.
We will achieve this vision through:

- ✓ Supporting agriculture
- ✓ Strengthening business and tourism
- ✓ Staying connected through infrastructure
- ✓ Being a supportive Council
- ✓ Looking after our communities
- ✓ Being environmentally friendly

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.

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.

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	Item	Officer	AWP
	Acknowledgement of Traditional Owners	Chair	
1	Welcome	Chair	
2	Present	Chair	
3	Apologies	Chair	
4	Conflicts of Interest	Chair	
5	Presentation	COO	
6	Annual Work Plan	Chair	
	6.1 Items Deferred to Future meetings		
	6.2 Items Brought Forward		
	6.3 Plan Revisions		
7	Minutes of Previous Meeting	Chair	
8	Business Arising from Previous Meeting	Chair	
	8.1 Schedule of Matters Carried Forward		
9	CEO Report (Confidential Agenda)	CEO	✓
10	Financial and Performance Reporting Responsibility		✓
	10.1 Financial and Non-Financial Performance Report	COO/MCS/ MIW	
11	Internal Control Environment		✓
	11.1 Significant Changes to Key Systems and risk Profile Considerations	COO	
12	Risk Management		✓
	12.1 Review Council's Risk Profile, Treatment Plans and Risk Register Reports	COO	
	12.2 Pool Inspection Compliance Update	COO	
	12.3 Report on National Heavy Vehicle Regulator Compliance Risk	MIW / COO	
	12.4 IT Cyber Security Update	COO	
13	Fraud Prevention Systems and Controls	COO	✓
14	Internal Audit	Chair	✓
	14.1 Update on status of annual Internal Audit Plan		
	14.2 Reports on Completed Reviews		
	14.3 Scopes of Planned Review		
15	Register of Open Audit Actions	COO	✓

	Item	Officer	AWP
16	External Audit		√
	16.1 Review performance of external auditor	Chair	
	16.2 External Audit Plan 2023-24	Crowe	
	16.3 VAGO Reports Impacts on Council	COO	
17	Compliance Matters	COO	
	17.1 Management Reporting		
	17.2 RSD Update – Hot Topics		
	17.3 Review Report on Gifts, Benefits and Hospitality	CEO	√
	17.4 Local Government Performance Reporting Compliance	CEO	
18	Reporting to Council	Chair	
19	Other Matters		
	19.1 Meeting dates review	Chair	
20	General Business	Chair	
21	Reflection on Meeting Outcomes	Chair	
22	Agenda for Next Meeting	Chair	
23	Date of Next Meeting	Chair	
24	Meeting Close	Chair	

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, and present.

1 WELCOME

Welcome by Bruce Potgieter Chairperson

2 PRESENT

3 APOLOGIES

Mayor Kylie Zanker, Tony Caccaviello, Chief Operating Officer and Kathie Teasdale, Internal Auditor.

4 CONFLICTS OF INTEREST

Nil

5 ASSET MANAGEMENT PRESENTATION

Resolution: The Audit and Risk Committee noted the presentation.

6 ANNUAL WORK PLAN

Resolution: The Audit and Risk Committee noted the work plan and documented changes below.

6.1 Items Deferred to Future Meetings	Date	Outcome / Action
Provide the opportunity to meet with councillors in the absence of management	February 2023	To be scheduled as part of next meeting in April 2024

6.2 Items Brought Forward	Date in AWP	Outcome / Action
NIL		

6.3 Plan Revisions	Date in AWP	Outcome / Action
Report on Committee's activities to Council	February 2023	Update timings to April and October meetings

7 MINUTES OF PREVIOUS MEETING

Minutes of previous meeting held on the 16 October 2023 were circulated to the Committee.

Resolution: The minutes from the October meetings were endorsed 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	Refer to 5	Closed
Cost and Impact assessment relating to pool inspection compliance activities	Report to 12.2	Closed
Updates to Committee Charter and Council Risk Appetite Statement as minuted in July 2023 meeting	A&RC Committee Charter Revised and adopted on 25 October 2023. Risk appetite review to be included in agenda of April A&RC Committee meeting.	Open
Internal Audit – Assurance Map – scope to be circulated out of session.	Refer to 14.3	Closed
Review of Performance External Auditor – questionnaire to be circulated and completed prior to next meeting.	Refer to 16.2	Closed
Management to provide an update report on NHVR and Chain of Responsibilities.	Refer to 12.3	Closed

9 CEO REPORT

Resolution: The Audit and Risk Committee noted the Confidential Audit and Risk Committee Agenda – 19 February 2024.

10 FINANCIAL AND PERFORMANCE REPORTING RESPONSIBILITIES

Financial and Non-Financial Performance Report

Resolution:

- The Audit and Risk Committee noted the Modified Financial and Non-Financial Performance Report, including the Local Government Performance Reporting half yearly report.

Action:

- Cashflow forecast requested if possible, and forecasts be revised in the quarter three Financial and Non-Financial Performance Report.

11 INTERNAL CONTROL ENVIRONMENT

Significant Changes to Key Systems and Risk Profile Considerations

Resolution: The Audit and Risk Committee noted the report.

12 RISK MANAGEMENT

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

Resolution:

- That the Audit and Risk Committee noted the report.

Action:

- That future reports include inherent and residual risk as a comparison.

12.2 Pool Inspection Compliance Update**Resolution:**

- That the Audit and Risk Committee noted the report.

Action:

- That a report be presented to the A&R Committee in 12 months' time, providing an update on progress with pool inspection compliance. It was also noted that a compliance / legal liability risk should be added to the risk assessment.

12.3 Report on National Heavy Vehicle Regulator Compliance Risk

Resolution: That the Audit and Risk Committee noted the report.

12.4 IT Cyber Security Update

Resolution: That the Audit and Risk Committee noted the report.

13 FRAUD PREVENTION SYSTEMS AND CONTROLS

Resolution: That the Audit and Risk Committee noted the report.

14 INTERNAL AUDIT**14.1 Update on Status of annual internal audit plan**

Resolution: That the Audit and Risk Committee noted the audit plan update.

14.2 Reports on completed reviews

Nil

14.3 Scope of Planned Reviews

Resolution: That the Audit and Risk Committee endorsed the scope of the Assurance Mapping engagement.

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

Resolution: That the Audit and Risk Committee approved the actions presented in the report be marked as closed.

16 EXTERNAL AUDIT

16.1 Review Performance of External Auditor

Resolution: That the Audit and Risk Committee noted the report.

16.2 External Audit Plan 2023-24

Resolution: That the Audit and Risk Committee noted and approve the Audit Strategy Memorandum.

16.3 VAGO Reports Impacts on Council

Resolution: That the Audit and Risk Committee noted the report.

17 COMPLIANCE MATTERS

17.1 Management Reporting

Resolution

- That the Audit and Risk Committee noted the report.

Action:

- That an Executive Summary outlining exceptions / risks be provided to the A&R Committee that summarises the content of the Management Reports.
- That a summary of key policies be provided to the A&R Committee, extracted from the Management Report, outlining what is up to date, due and overdue for their oversight.

17.2 RSD Update – Hot Topics

Resolution: That the Audit and Risk Committee noted the report.

17.3 Review Report on Gifts, Benefits and Hospitality

Resolution: That the Audit and Risk Committee noted the report.

17.4 Local Government Performance Reporting Compliance

Resolution: That the Audit and Risk Committee note the report.

18 REPORTING TO COUNCIL

Nil

19 OTHER MATTERS

Nil

20 GENERAL BUSINESS

Nil

21 REFLECTION ON MEETING OUTCOMES

Nil

22 AGENDA FOR NEXT MEETING

- Risk Appetite Review

23 DATE OF NEXT MEETING

Monday, 15 April 2024 – 12.00pm (online)

24 MEETING CLOSE