



**Monday 14 July 2025 – 12.30pm, Online**

## Online, via Teams

**NEXT MEETING: 2025  
Online  
Yarriambiack Shire Council Office**

### Ordinary Meeting Structure

Time	Attendees
12.00pm – 12.30pm	Confidential Agenda: Audit and Risk Committee Members and CEO Only time.
12.30pm – 12.45pm	Meeting with Audit and Risk Committee Members and the External Audit, without the presence of Management.
12.45 pm – 2.00pm (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 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
Internal Auditor – RSD Auditors	Kathie Teasdale Paul Harrison
External Auditor – Crowe	Cassandra Gravenall
Chief Operating Officer	Tim Rose
Chief Engineering Officer	Joel Turner
Chief Financial Officer	Anita McFarlane
Chief People and Culture Officer	Bernadine Schilling
Monique Metlika	Governance Support Officer
Manager Business Systems	Daniel Brandon
Business Lead Asset Systems, Networks and Planning	Vanessa Lantzakis
Asset Coordinator	Peter Schnorrenberg

## Meeting Dates

Date	Time
14 July 2025	12.00pm
22 September 2025	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

Michael Ulbrick, Bruce Potgieter, Peter Johnston, Cassandra Gravenall, Kathie Teasdale, Karly Kirk, Kylie Zanker, Tammy Smith, Tim Rose, Bernardine Schilling, Anita McFarlane, Joel Turner, Daniel Brandon, Peter Schnorrenberg and Vanessa Lantzakis.

Minute Taker: Monique Metlika

### 3 APOLOGIES

Nil.

### 4 CONFLICTS OF INTEREST

Nil.

### 5 MINUTES OF PREVIOUS MEETING

Minutes of previous meeting held on the 16 June 2025 be adopted.

**Attachment:** [Minutes of the Special Audit and Risk Committee Meeting 16 June 2025](#)

#### Resolution

That the minutes from the 16 June 2025 Special Meeting – Asset Management be adopted by the Audit and Risk Committee.

### 6 BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETING

Schedule of Matters Carried Forward	Update / Outcome	Status
15/07/24 Meeting: Management to provide the committee with the results of detailed internal review of key challenges with service delivery and capital delivery over the next 5 years. The review should consider service delivery and identify core vs non-core services. It should also consider capital works expenditure level in comparison to depreciation and what the minimum spending needed to maintain the assets in their current state. The report is to be presented at the February 2025 meeting of the committee.	This request from Audit and Risk Committee is put on hold and will be incorporated into the 10 Year Financial Plan.	Open
05/05/25 Meeting: 7.1 External Auditors Final Management Letter from 23/24 Financial Year Audit.	Management responded and a copy was provided to the Audit and Risk Committee on or around 15 May 2025.	Closed

Schedule of Matters Carried Forward	Update / Outcome	Status
05/05 Meeting: 9.1 Review of Committee Charter moved to every two years.	This change has been reflected in the 2025/26 Annual Workplan.	Closed
05/05 Meeting: 10.1 Financial and Non-Financial Performance Report to include lost time hours to be expressed as a total of employee hours in future reports. Management to include benchmarking for comparison in the report for future reference.	Benchmarking and expression of hours has been updated in the Financial and Non-Financial Performance Report.	Closed
05/05 Meeting: 10.2 Land List for Review and Consideration	List of land being pursued for sale. Refer to item 17.3.	Closed
05/05 Meeting: 12.6 Assurance Mapping	Presentation and Report on Assurance Mapping update included in this Agenda. Refer to item 11.1.	Closed
05/05 Meeting: 14.1 Update on Status of Annual Internal Audit Plan	Annual Audit Plan has been outlined in this report. Refer to item 13.1 RSD reappointed as Internal Auditors.	Closed
05/05 Meeting: 15. Special Meeting for Asset Management be held to discuss the outstanding matters listed in the Management Letter, Actions and Revaluation Report.	Meeting held on 16 June 2025.	Closed
05/05 Meeting: 19. Reflection on Meeting Outcome. End of Financial Year timetable to be provided and circulated out of session and status of Shell Accounts review to be provided.	Included a copy of the end of financial year timetable for reference in this agenda. Refer to item 9.3.	Closed
16/06 Special Meeting: 7.2 Asset Revaluation Review Report to be updated on 14 July to include further details regarding the unit rates and specifying inclusions and exclusions under AASB 13 requirements. It is also to expand on the definition and detail in relation to asset classes.	Refer to Asset Management update in this agenda, item 17.2.	Open
Question in relation to Department of Transport and Planning requiring information related to IT Maturity.	The YSC management (leadership) team are not aware of DTP requiring IT maturity reports / requirements.	Closed



Schedule of Matters Carried Forward	Update / Outcome	Status
	We will add this to our quarterly DTP agenda to confirm.	

## 7 COMMITTEE MANAGEMENT

### 7.1 Annual Work Plan Update

**Management Representative: Tim Rose, Chief Operating Officer**

This section presents the annual work plan – July 2024/25, and the tasks due for review. Below outlines what is deferred, brought forward and the status of the plan revision.

Items Deferred to Future Meeting	Date in AWP	Outcome / Action
Item 15: Undertake a post review of Council's insurance programme	July 2025	The final figures for insurance are not finalised until July. Therefore, it is recommended that the annual insurance program is presented in November each year.
Item 46: Report on Committees activities to Council	July 2025	This was provided to Councillors in February and will be provided again in September after the endorsement of the financial statements.
Item 40: Review reimbursements of expenses to CEO, Councillors and members of Delegated Committees	July 2025	Recommended to be changed to November each year, once the annual financial statements are finalised.
Item 42: The CEO Employment and Remuneration Policy	July 2025	Recommended to change to November every 2 years in alignment with the adopted policy review cycle.
Item 45: Assessment of Committee performance	July 2025	Recommended to change to November each year, after the annual financial reporting and performance period.

Items Brought Forward	Date in AWP	Outcome / Action
Nil.		

Plan Revisions	Date in AWP	Outcome / Action
The Annual Plan is due for review in July each year.	July 2025	There are several suggested changes, included and outlined in item 8.2.

## 7.2 Adopt the Annual Audit and Risk Committee Workplan

**Management Representative: Tim Rose, Chief Operating Officer**

### Purpose

The annual workplan is due for review in July each year. Attached to the Agenda was a copy of the revised annual workplan with recommended changes.

### Discussion

#### Meeting Dates

It is recommended that the Audit and Risk Committee meetings are held at the start of the month in November, February, May and August each year.

The Special Audit and Risk Committee is scheduled for the 22 September 2025 to review the Annual Financial Statements and Performance Report.

It is proposed that the following dates are considered for the Audit and Risk Committee Meetings over the next 12 months:

- Monday 10 November 2025, 12 noon, in person (confirmed and in calendars)
- Monday 09 February 2026, 12 noon, in person (TBC)
- Monday 11 May 2026, 12 noon, online (TBC)
- Monday 10 August 2026, 12 noon, in person (TBC)
- Monday 21 September 2026, 12 noon, online, special meeting (TBC)

#### Proposed Changes

The following changes are proposed to the workplan as referenced in the attached revised Draft Workplan 2025-2026. Noting there is also changes to the numbering of items between the workplans.

*Item 15 Undertake a post review of Council's insurance programme:* It is recommended this be moved from July to November, due to the timing and availability of information. The report is to present on the breadth of Council's insurance premiums and outline any increases / changes. Currently, the timing of finalising our insurance premiums does not align with the July meeting date.

*Item 46 Report on Committee activities to Council:* It is recommended that the due dates for this report be rescheduled to follow the February and September meetings. An annual in-person meeting between Councillors and the Audit and Risk Committee should be arranged, potentially aligning with the presentation of the Long-Term Financial Plan. The timing of this meeting will be further discussed during the scheduled meeting.

*Item 42 Review reimbursement of expenses to CEO, Councillor and Members of Delegated Committees:* Reporting is proposed to be shifted to November 2025 to cover the period from 01 July 2024 to 30 June 2025. This change aligns reimbursements with the Annual Report and allows for a complete transaction list, including those processed in early July but related to the previous financial year.

*Item 47 Assessment of Committee Performance:* This is recommended to occur after the annual financial statements process and to be coordinated by the internal audit partner.

*Item 44 The CEO Employment and Remuneration Policy:* The policy was reviewed and endorsed by Council in June 2024. The Audit and Risk Committee last review was 26 June 2023. It is recommended that the review be undertaken in November 2025, for Council review and adoption in early 2026. The policy only requires the Audit and Risk Committee to review every two years.

*Item 41 Management Reporting:* The management reporting exception report on compliance, governance obligations, including assurance mapping has been added to the workplan schedule.

*Item 49 Consider other matters referred by Council:* This item has been included where management refers items to the Audit and Risk Committee for noting or consideration.

### **Resolution**

- a) The Audit and Risk Committee endorsed the adoption of the Annual Audit and Risk Committee Workplan for 2025-26 with the proposed changes, excluding Item 44, The CEO Employment and Remuneration Policy, which has been endorsed for removal from the Workplan.
- a) That the Audit and Risk Committee endorse the annual committee dates, and/or make changes to set them for the next 12 months.
- b) That the Audit and Risk Committee discuss and confirm the date of an in person meeting with Councillors.

### **Action**

The CEO Employment and Remuneration Policy be removed from the annual workplan.

### **Notes during meeting:**

Annual Work Plan adopted for 2025-26 with proposed changes was confirmed, with it noted that the CEO Employment and Remuneration Policy should be removed from the Workplan as it is considered an operational matter. This policy is to be reviewed by the CEO Employment and Remuneration Committee and Councillors and is not considered an activity of the Audit and Risk Committee.

The Policy was first added to the workplan as a result of the Local Government Inspectorate Investigation.

## 8 FINANCIAL AND PERFORMANCE REPORTING RESPONSIBILITIES

### 8.1 Review Changes in Significant Accounting Policies and Disclosures

**Management Representative:** Anita McFarlane, Chief Financial Officer

#### Purpose

To provide an update on the impact from the changes to Accounting Standards.

#### Discussion

A paper regarding the impacts of AASB 13 was prepared and presented to the Audit and Risk Committee on 05 May 2025.

AASB 13 Fair Value Measurement has been amended. These amendments are applicable for the 2024-25 financial year. Key amendments include:

- Assessing highest and best use of assets
- Developing unobservable inputs and
- Application of the cost approach to fair value.

FinPro has released some guidance materials and have presented several information sessions.

External Auditors have provided preliminary advice on their understanding of the impact of these changes and will continue to provide an update when they receive further guidance from the Victorian Auditor General's Office (VAGO).

#### Resolution

That the Audit and Risk Committee note the report.

#### Notes during meeting:

Noted the report.

### 8.2 Review Local Government Performance Reporting Changes

**Management Representative:** Anita McFarlane, Chief Financial Officer

#### Purpose

To provide an update on the changes to the LGPR framework.

#### Discussion

The changes to the LGPR framework will not have a significant impact with this data already collected and reflected in the model sector performance reports but they are listed below for information.

#### AF7 – Cost of aquatic facilities

- Key terms have been re-organised.

#### AM1 – Time taken to action animal management requests

- **Note added:** Automated response to a request - The automated receipt of an animal management request does not qualify as a first response action.

#### AM2 – Animals reclaimed

- **Key term updated:** Feral animals Is an unowned cat or dog that lives and reproduces outside of a domestic environment. Feral animals are excluded from this measure.

- **Note added:** Live animals only This measure excludes council returning deceased animals to their owners.

#### AM5 – Animals rehomed

- **Key term updated:** Feral animals Is an unowned cat or dog that lives and reproduces outside of a domestic environment. Feral animals are excluded from this measure.
- **Note added:** Calculation of unclaimed collected animals The calculation of unclaimed collected animals is the total number of collected animals minus the number of animals reclaimed.

#### AM6 – Cost of animal management service

- Key terms have been re-organised.

#### FS1 – Time taken to action food complaints

- Note added regarding automated receipts. Automated response to a food complaint - The automated receipt of a food complaint does not qualify as a first response action.

#### G3 – Councillor attendance at Council meetings

- Note added regarding non-attendance. To qualify for non-attendance, a councillor must be absent without approved leave or notice.

#### G4 – Cost of elected representation

- Cost of elected representation
- Note added regarding monitors. Monitors appointed by the Minister for Local Government are not included.

#### LB7 – Library membership (Audited)

- Note added regarding non-resident library members. Non-resident library members - The total members of a library service includes both resident and non-resident members.

#### LB8 – Library visits per population

- Data use/community outcome corrected. Assessment of the degree to which council services are utilised by the community. Higher proportion of visits suggests greater community utilisation of the library service

#### Appendix B: Expected Range per Indicator

- The expected ranges for the cost indicators for Roads and Waste Management were reviewed and percentage variation from statewide average applied to lower and higher values in the range

### **Resolution**

That the Audit and Risk Committee note the report.

#### **Notes during meeting:**

Noted the report.

### 8.3 2024/25 Audit Timeline

**Management Representative: Anita McFarlane, Chief Financial Officer**

#### Purpose

To provide an update on the timelines for the preparation of the 2024/25 financials and Annual Report.

#### Discussion

As part of the preparation of the documentation for interim and external audits for 2024/25, timelines have been prepared for both the preparation of the financial statements and the annual report. These timelines detail the tasks required to be undertaken, who the responsible manager/officer is for the preparation of the relevant information, the planned completion date of the task and the status of the task.

The aim of the timeline is to enable staff to have ownership and accountability for the preparation of the information in their departments and that information is provided in a timely manner. These timelines will enable managers/officers to manage their time, and it will allow the preparation of the financial statements and annual report to be seamless for all parties involved.

#### Resolution

That the Audit and Risk Committee note the report.

#### Notes during meeting:

- A comprehensive plan has been established.
- All items from June have been addressed.
- CFO has confirmed that she is responsible for the actions.
- The annual report has been divided for execution by the responsible Manager.

### 8.4 Review Management Financial and Non-Financial Performance Report

**Management Representative: Anita McFarlane, Chief Financial Officer**

#### Purpose

This report presents both Financial and Non-Financial Performance indicators, consistent with Council's Performance Management Framework and Risk Appetite. The quarter four report has been revised to ensure alignment with the Council's Performance Management Framework.

#### Discussion

The Executive Summary of the Report outlines the main challenges encountered by Council as of 30 June 2025, serving as an interim update before the completion of the annual financial statements and performance reporting. It includes the current status of the capital works program in progress.

#### Resolution

That the Audit and Risk Committee note the Financial and Non-Financial Performance Report.

#### Action

Reclassifying cash on hand to identify restricted and unrestricted to be noted on the Balance Sheet.

#### Notes during meeting:

- Disappointment expressed regarding advanced payment of grants.
- CSS results were noted to have decreased across the sector.
- Capital works carry forward will be Hopetoun Swimming and Housing projects, to be completed in 25/26 financial year.
- An extra section will be added to reclassify cash on hand from restricted to unrestricted.
- Discussion regarding OHS lost time injury hours occurred.
- Observation that Rates and Charges not paid are significantly higher for the Hopetoun ward compared to Dunmunkle and Warracknabeal.

### 8.5 Ten (10) Year Financial Plan

**Management Representative: Anita McFarlane, Chief Financial Officer**

#### Purpose

To provide an update on the status of the review and preparation of the 10 Year Financial Plan. The *Local Government Act 2020* introduced a requirement for Victorian councils to develop, adopt and keep in force a Financial Plan covering at least the next 10 financial years.

#### Discussion

As part of the preparation of the 10 Year Financial Plan our Council considers that an independent Financial Sustainability review would be beneficial to ensure positive financial strategy implementation going forward.

To undertake this work Council has engaged LGeX who support government executive leaders with advice and bespoke services through a strategic partnership of experts with local government expertise and experience. LGeX will undertake a comprehensive review of the financial sustainability of Council.

#### Resolution

- That the Audit and Risk Committee note the report.
- That the Audit and Risk Committee acknowledge that the Long-Term Financial Plan will not be completed until October / November 2025.

#### Notes during meeting:

- The legislative deadline is set for 31 October 2025.
- The report should be ready by the end of July or early August.
- A progress report will be presented at the September Audit and Risk Committee meeting.

## 9 INTERNAL CONTROL ENVIRONMENT

### 9.1 Significant Changes to Key Systems and Risk Profile Considerations

**Management Representative:** *Daniel Brandon, Manager Business Systems*

#### Purpose

The aim of this report is to identify any key changes to systems that may impact Council's strategic and operational risks.

#### Status

Yarriambiack Shire Council's current IT Managed Service Provider (MSP) contract is ending on the 31 August 2025.

Procurement for a new service provider has commenced and selected specialist providers were invited to respond to the tender via the MAV procurement portal. The tender closed on Friday 04 July 2025.

Evaluation and appointment will be completed during July 2025 with the successful service provider/ providers to commence during August 2025 to allow for any required handover.

#### Resolution

That the Audit and Risk Committee note the report.

#### Notes during meeting:

- Strategies have been implemented to mitigate transition risks, including a handover period (if required).

### 9.2 Council Policies and Procedures against Governance Principles Assessment

**Management Representative:** *Bernardine Schilling, Chief People and Culture Officer*

#### Purpose

In 2020, the *Local Government Act 2020* came into force. The new Act included Governance Principles. The purpose of this report is to provide an outline of the number of Policies, Plans and Procedures Council has adopted, and how many are compliant with the *Local Government Act 2020* requirements, with reference to the Governance Principles.

#### Discussion

The Audit and Risk Committee Charter mandates monitoring Council policies and procedures for compliance with governance principles. This report updates the status of policies and procedures referencing these principles, indicating which need updates. Council Officers are integrating governance principles into policies, procedures, and plans as they become due for review.

Currently, Council has 176 policies, procedures and plans, with 46 updated to include the governance principles review.

Of the 176 documents, it is deemed only necessary for policies, procedures and manuals to include the governance principles requirements. Council has 104 such documents.

As documents fall due for renewal, the governance principles assessment is completed and embedded into the revision. Officers have focused primarily on Council endorsed policies in the first instance and are now moving onto administrative (internal) documents.



**Resolution**

That the Audit and Risk Committee note the report.

**Notes during meeting:**

- The Council Report template was produced as part of the 2020 Act implementation and provided by our Lawyers.
- RSD Audit confirmed that ticking off against governance principles is not part of their scope.

**10 RISK MANAGEMENT****10.1 Review Council's Risk Profile, Treatment Plans and Risk Register Reports**

**Management Representative: Daniel Brandon, Manager Business Systems**

**Purpose**

The aim of this report is to outline the effectiveness of Council's Risk Management Framework.

**Discussion**Strategic Risks

Council Strategic Risks are reviewed quarterly. Changes to Council's strategic risk levels are reported in the Financial and Non-Financial Performance Report, Executive Summary. Levels remain consistent with last quarter.

Attached to the agenda was a copy of the Strategic Risk Register, along with a copy of the control measures and their effectiveness rating as of 02 July 2025.

Operational Risks

Attached to the agenda was a copy of Council's High and Extreme Operational Risks, along with the control measures and their effectiveness rating as of 02 July 2025.

**Resolution**

That the Audit and Risk Committee note the report.

**Action**

That the AI Policy be presented at the next Audit and Risk Committee meeting, including a presentation on how Council manages and mitigates its AI risks.

**Notes during meeting:**

- The glass crushing machine is still in our possession, and we will be advertising its sale shortly.
- Procedures have been established to gradually improve 'poor' classified risks, ensuring all assessments are completed.
- Artificial intelligence was discussed as a potential risk for Council.

## 10.2 Assurance Mapping

**Management Representative:** *Daniel Brandon, Manager Business Systems*

### Purpose

Assurance mapping provides a comprehensive view of an organisation's assurance activities aimed at mitigating risks. It highlights any gaps or overlaps to ensure the efficient use of resources and alignment with organisational objectives, including compliance and other commitments.

**Presentation:** The Manager Business Systems provided an overview of how Council has set up the Assurance Mapping obligations and linked to Council's Operational Risk Register.

### Discussion

The Chief Operating Officer, Manager Business Systems, and Governance Support Officer have collaborated to explore ways of utilising the current Risk and Compliance system, RelianSys. The aim is to ensure that Council obligations are addressed, associated risks are identified with appropriate control measures, and that the system can generate assurance related reports.

Risks are now being linked to obligations within the system, enabling the production of reports on high risks with low control effectiveness, and identifying exceptions or areas where lines of defence may not be met or could present risks to Council.

These reports will be submitted to the Audit and Risk Committee on a quarterly basis as part of the ongoing risk review process.

### Resolution

That the Audit and Risk Committee note the report.

### Notes during meeting:

- A presentation on the creation of assurance mapping was provided.

## 11 FRAUD PREVENTION SYSTEMS AND CONTROLS

### 11.1 Review Councils Fraud Prevention Policies, Controls and Instances of Fraud

**Management Representative: Tammy Smith, Chief Executive Officer**

#### Purpose

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.

#### Discussion

Council has the following fraud prevention systems and controls in place:

- a) A Fraud and Corruption Prevention Policy that was reviewed and revised on 28 August 2024, along with a Finance and Payroll Management Manual revised on 12 April 2024 that outlines the internal controls for monitoring and mitigating risks associated with fraud and corruption.
- b) Compulsory online Fraud and Corruption Awareness training for all staff that is required to be completed on commencement with Council and every two years thereafter either via in person delivery, or online refresher.
- c) An adopted Procurement Policy and Procurement Management Manual, that has recently been revised and adopted in 2024 and 2025 respectively.
- d) A Gifts, Benefits and Hospitality Policy that was revised and adopted in 2023 and a reporting process to the Audit and Risk Committee.

Management can report that:

- a) There are no instances of fraud or corruption to be reported to the Audit and Risk Committee as of 06 July 2025.
- b) There have been no official reports of such matters to the appropriate integrity bodies as of 06 July 2025.

#### Resolution

That the Audit and Risk Committee note the report.

#### Notes during meeting:

Noted the report.

## 12 INTERNAL AUDIT FUNCTION

### 12.1 Appointment of Internal Auditor

***Prepared by Daniel Brandon, Manager Business Systems***

#### **Background**

This report presents the outcome of the evaluation process for selecting a provider for the Internal Audit Services for Yarriambiack Shire Council.

The invitation to tender for internal audit services resulted in three tenders being submitted. After the tender evaluation process, the Evaluation Panel concluded that RSD Audit provided the greatest value for money and was therefore recommended as the preferred tenderer.

Councillors endorsed on the 30 June 2025 the appointment of RSD Audit as Councils internal auditor for a four year term from 01 July 2025 to 30 June 2029 with an option to extend for an additional year based on performance.

#### **Discussion**

The Provision of Internal Audit Services invitation to supply opened Tuesday 01 April 2025 and closed on Thursday 01 May 2025. Council received three submissions via the public tender process.

The objective is to appoint an internal audit firm for four years with the option of an additional year based on performance.

RSD Audit (RSD) provided the greatest value for money.

#### **Resolution**

That the Audit and Risk Committee note the report as attached to this report.

#### **Notes during meeting:**

Noted the report.

### 12.2 Update on Status of Annual Internal Audit Plan

***Prepared by Tammy Smith, Chief Executive Officer***

#### **Background**

RSD, the Council's internal auditor, prepares an Annual Internal Audit Plan for the Audit and Risk Committee's yearly review. Moving forward, Council will conduct two internal audits and one external audit as part of its quality assurance process.

#### **Discussion**

In accordance with the Strategic Internal Audit Plan the scheduled two internal audits for the financial year 2025-2026 would be as follows:

- Child Safety Standards
- Climate Change

It is recommended that Council continue with the Child Safe Standards, however as Council has only recently completed and endorsed its Master Environment Strategy, it would be recommended that Records Management be moved to the 2025-26 financial year program, and Climate Change be undertaken in 2026-27 financial year.

**Resolution**

That the Audit and Risk Committee confirm the Strategic Internal Audit Plan for 2025/2026 and for Records Management to be included in the 25/26 annual audit plan.

**Action**

RSD to update the Strategic Internal Audit plan.

**Notes during meeting:**

- The Audit and Risk Committee confirmed their satisfaction with the changes.
- Emergency management is to be included in the revised plan.

**12.3 Report on Completed Internal Audit Reviews**

***Prepared by Tim Rose, Chief Operating Officer***

**Background**

The Internal Audit on Fraud Prevention was undertaken in the 2024-2025 financial year. The final report is being presented to the Audit and Risk Committee for review and feedback.

**Discussion**

The internal audit for fraud prevention is complete, and management has provided feedback on each improvement area. Additional opportunities for enhancement in fuel card management will be reviewed in Q2 of 2025-26 which has not informed this report.

A further report on management review and findings, along with scope of works will be presented at the next scheduled ordinary audit and risk committee meeting.

**Resolution**

- a) That the Audit and Risk Committee note the management responses to the Fraud Prevention internal audit as attached to this report.

**Action**

That a report on Fuel Cards Fraud Prevention and Risk Management will be presented at the next ordinary Audit and Risk Committee meeting.

**Notes during meeting:**

- The report is positive, as many requirements are in place.
- YSC has implemented the three minor suggestions from the audit.

**13 EXTERNAL AUDIT****13.1 Interim Management Letter**

***Management Representative: Anita McFarlane, Chief Financial Officer***

**Background**

The external audit interim management letter was circulated to the Audit and Risk Committee out of session and is attached to the agenda for reference in this report.

**Attachment:** [Interim Management Letter with Local Government Report Recommendations 2024-25](#)

**Status**

The attached interim management letter does not highlight any additional risks or issues beyond those already identified.

**Resolution**

That the Audit and Risk Committee note the report and attachment.

**Notes during meeting:**

- Confident that we will be able to close actions at the year end.

**13.2 VAGO Reports**

**Management Representative:** *Anita McFarlane, Chief Financial Officer, and Tim Rose, Chief Operating Officer*

**Purpose**

To review VAGO Reports and assess if there are any impacts on Council.

**Attachment:** [VAGO Local Government Status Report June 2025](#)

**Status**

A review of the Local Government Update does not highlight any obvious impacts on Yarriambiack Shire.

The Financial Management of Local Councils once released and tabled will be a useful tool to assess performance.

**Resolution**

That the Audit and Risk Committee note the report.

**Notes during meeting:**

Noted the report.

## 14 REGISTER OF OPEN AUDIT ACTIONS (INTERNAL AND EXTERNAL)

### 14.1 Report on status of Open Audit Actions (Internal and External)

**Management Representative:** *Daniel Brandon, Manager Business Systems and Vanessa Lantzakis, Business Lead Asset Systems, Networks and Planning*

#### Purpose

This report has been prepared to update the Committee on the status of Open Internal and External Audit Actions and recommend actions for close out.

**Attachment:** [Attachment: Audit Task Status Report July 2025](#)

#### Status

There is a total of 13 audit actions open, with 12 classified as overdue.

- Asset Management (4) Council has implemented Asset Modelling software to address this requirement. The Asset Systems, Networks and Planning Department are currently cleansing data, preparing the annual financial statements and will then move onto the preparation of the Asset Management Plan and associated class plans. Once the documents are adopted by Council, all outstanding audit actions will be closed out.
- Social Media, System Access and IT Controls (9) – 1 current and 8 overdue with all being actionable during the 2025 calendar year.

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

	Priority				
	Extreme	High	Medium	Low	Total
<b>Open Actions at 05 May 2025</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>9</b>	<b>13</b>
Add new Agreed Actions Reported in the Period	0	0	0	0	0
Less Actions Closed in the Period	0	0	0	0	0
<b>Open Actions at 06 July 2025</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>9</b>	<b>13</b>

**Table Two: Summary of Overdue Open Actions**

	Priority				
	Extreme	High	Medium	Low	Total
<b>Overdue Open Actions at 05 May 2025</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>12</b>
Less Overdue Closed in the Period	0	0	0	0	0
<b>Overdue Open Actions at 06 July 2025</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>12</b>

#### Resolution

That the Audit and Risk Committee note the Audit Task Report as of 06 July 2025 with the revised comments from Management.

#### Notes during meeting:

Noted the report.

**15 COMPLIANCE AND GOVERNANCE MATTERS****15.1 Management Reporting**

**Management Representative:** *Tim Rose, Chief Operating Officer and Daniel Brandon, Manager Business Systems*

**Purpose**

The purpose of this report is to present exception reporting for monitoring compliance with legislation and regulations, and to confirm that management addresses instances of non-compliance.

**Background**

The quarterly Management Report was introduced from 01 October 2023 to be presented to the Audit and Risk Committee and Councillors during a Council Forum. It has been continuously refined to achieve the goal of identifying areas of risk and non-compliance.

A summary report is provided each quarter to the Audit and Risk Committee identifying areas of risk in relation to non-compliance.

**Discussion**

The Management Report, prepared for the leadership team's internal review, provides analysis of key performance indicators that influence the achievement of Council Plan objectives, as well as other adopted strategies and compliance with legislative requirements. This oversight allows the Chief Executive Officer (CEO), Chief Operating Officer (COO), and Councillors to effectively identify, comprehend, and manage matters related to compliance and liability risk.

An outline of exception reporting was provided to the Audit and Risk Committee as per the Agenda.

**Resolution**

- a) That the Audit and Risk Committee note the report.
- b) Management is to undertake a comprehensive Funding Milestone update, including acquittal status, to be incorporated into the Management Report. Any exceptions should be reported to the Audit and Risk Committee in the next quarter.

**Notes during meeting:**

- Emergency Management overdue items are being addressed collaboratively across the four Councils within the group.
- Swimming Pools and Spas compliance is on the new MBS work task list.
- Outstanding procurement activities do not impact day-to-day operations. The greater risk lies in not complying with our procurement policies regarding the duration a contractor is in place.



**15.2 RSD Update – Hot Topics**

**Management Representative:** *Tim Rose, Chief Operating Officer and Anita McFarlane, Chief Financial Officer*

**Purpose**

The purpose of this report is to identify integrity agency and governing body reports that may impact on Local Government.

**Discussion**

Attached is a copy of the report outlining the source, name of report, summary and potential impact on Council.

**Resolution**

That the Audit and Risk Committee note the report.

**Notes during meeting:**

Note the report.

**16 OTHER MATTERS****16.1 Review ICT, Business Strategy and Transformation Strategy KPI's**

**Management Representative:** *Daniel Brandon, Manager Business Systems*

**Purpose**

The aim of this report is to provide an update to the Audit and Risk Committee on the status of ICT projects identified in the ICT and Business Transformation Strategy.

**Discussion**

Council has continued to work on all the 48 actions aligned with the strategy and has completed 31 actions with 7 classified as ongoing and 9 classified as commenced and partially complete. Council continues to work towards timelines and tasks as identified in the strategy.

It should be noted that 2025 is the last year of the Strategy, and Council has budgeted for the Strategy to be revised on the 25/26 financial year.

**Resolution**

That the Audit and Risk Committee note the report.

**Notes during meeting:**

- Table quite informative.
- ICT and Business Transformation Strategy undertaking a review in the coming year.

## 16.2 Asset Management Update

**Management Representative: Vanessa Lantzakis, Business Lead, Asset Systems, Networks and Planning; and Peter Schnorrenberg Assets Coordinator**

### Purpose

To provide an update on the status of Asset Management activities to meet compliance and end of year reporting obligations.

### Discussion

#### Draft Asset Lifecycle Policy and Procedure

Council is required to review and update its Asset Lifecycle and Procedure periodically to ensure its currency. This updated policy and procedure outlines how Yarriambiack Shire Council manages both tangible and intangible assets from financial and non-financial perspectives. It covers the full asset lifecycle from recognition and capitalisation to disposal while detailing processes for renewal, upgrades, depreciation, and revaluation. It also sets out requirements for recording and tracking assets, including guidelines for managing low-value portable items and consumables that may fall below capitalisation thresholds.

The Asset Lifecycle Policy and Procedure has been reviewed and updated by councils Asset Department, with only minor amendments made to ensure alignment with the current Asset Management Framework, relevant legislation, and other Council plans and strategies. The document has been refined for improved readability and now includes updated references to ensure accuracy and relevance regarding council's revaluation practices.

This Policy will be presented to Council for adoption on 23 July 2025 and is to inform the 24/25 external audit program.

#### Draft Asset Management Policy

Council is required to review and update its Asset Management Policy periodically to ensure currency. The policy itself provides strategic direction for Yarriambiack Shire Council in the effective management of community assets. It emphasises the importance of understanding the relationship between assets and the services they support, maintaining accurate asset records, and managing associated risks. The policy also seeks to foster community ownership and engagement with local infrastructure.

Key objectives include setting clear asset management targets, promoting continuous staff development, and ensuring appropriate resourcing and accountability. It reinforces the need for compliance with legislative obligations and the adoption of transparent, best-practice asset management processes.

The Asset Management Policy has been reviewed and updated by Council's Asset Department. Minor amendments were made to ensure alignment with the current Asset Management Framework, relevant legislation, and other Council plans and strategies. The document has also been refined to enhance clarity and readability. Including updated references to ensure accuracy and currency.

#### Asset Revaluation Report

The Asset Revaluation Report was presented to the Audit and Risk Committee on 16 June 2025. The actions required to be completed by 14 July 2025 meeting were as follows:

The Asset team will update the report for the Audit and Risk Committee meeting on 14 July 2025. It will include further details regarding the unit rates and specifying inclusions and exclusions under AASB 13 requirements. It will also expand on the definition and detail in relation to asset classes.

Council has received notification that the condition data for the roads, footpaths, kerb and channel will be received by the 18 July, after this Audit and Risk Committee meeting. Council is also awaiting the final advice from the external auditors in relation to inclusions

and exclusions under AASB 13. Until the condition data and AASB advice is received, Officers are hesitant to finalise the Asset Revaluation Report. Once information is received, and the report is updated, it will be circulated out of session to the Audit and Risk Committee for their noting.

The expansion on the definition of asset classes has been updated in the draft document.

#### **Resolution**

- a) That the Audit and Risk Committee note the report and provide feedback on the draft policies as attached.
- b) That Management circulate the revised Asset Revaluation Report out of session once the unit rates advice and condition data are received. It is estimated this report will be circulated by 31 July 2025.

#### **Notes during meeting:**

- Ensure that the policies are consistent with the current structure.

### **16.3 Land List for Review and Consideration**

**Management Representative: Tammy Smith, Chief Executive Officer and Joel Turner, Chief Engineering Officer**

#### **Purpose**

Council has 103 parcels of land listed in its Asset Register. A detailed assessment is required to assess what land parcels are surplus to Councils requirements.

To date, Council has identified two land parcels for perusal being 74-76 Cummings Street and 92 Cummings Street Hopetoun. This report outlines the process required to consider and prepare these parcels of land for sale.

#### **Discussion**

Council has commenced the land list review, focusing on Hopetoun initially, and working through each township across the Shire.

#### **Resolution**

That the Audit and Risk Committee note that a report and Officer actions.

#### **Notes during meeting:**

- The issue lies with the zoning of the parcels.
- The two depots were identified as the most valuable and quickest to move on.
- All these properties are owned by the Council.

### **16.4 Appointment of Audit and Risk Committee Chairperson**

**Management Representative: Tammy Smith, Chief Executive Officer**

#### **Background**

Council established an Audit and Risk Committee in accordance with Section 53 of the *Local Government Act 2020* and adopted the Audit and Risk Committee Charter on 28 August 2020.

In accordance with Council's Audit and Risk Committee Charter the Committee will consist of two Councillors and three independent members.

The independent members are to be appointed for three-year terms, serving for a maximum of no more than nine years.

The revision of the Audit and Risk Committee Charter delegates the authority to the Councillors to appoint the Independent Chairperson.

This report confirms the Councillors decision to reappoint Bruce Potgieter as the Independent Chairperson of the Audit and Risk Committee for a three-year term, commencing from 28 April 2025 to the 27 April 2028.

### Discussion

The Agenda outlined the reason for reappointment and confirmed the sitting and travel fees.

### Resolution

That the Audit and Risk Committee note the reappointment of Bruce Potgieter as the Chairperson.

#### Notes during meeting:

- Bruce expressed his gratitude.
- Thanks, and congratulations were exchanged.

## 17 GENERAL BUSINESS

- a) Confirmation of Meeting date with Councillors: Confirmation received regarding the suggestion to incorporate meeting with Audit and Risk Committee and Councillors during the presentation of the Long-Term Financial Plan. A date is yet to be determined.

## 18 REFLECTION ON MEETING OUTCOMES

- Commend the staff through the CEO regarding the format of the Agenda.
- Disappointment regarding Commonwealth and State pushing down on councils.

## 19 AGENDA FOR NEXT MEETING

- Update on progress of Long-Term Financial Plan.

## 20 DATE OF NEXT MEETING

Monday 22 September 2025 at 12 noon, Special Audit and Risk Committee Meeting  
Endorsement of Financial Statements and Performance Report, in person meeting.

## 21 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.

Evidence was provided as part of the Agenda confirming presentation at Council meetings.

## 22 MEETING CLOSE

---THE END---