



Monday 10 November 2025 – 12.30pm, Online

Online, via Teams

NEXT MEETING: 09 February 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.
12.30 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	Bernardine Schilling
Governance Support Officer	Monique Metlika
Manager Business Systems	Daniel Brandon
Business Lead Asset Systems, Networks and Planning	Vanessa Lantzakis

Meeting Dates

Date	Time	Format
10 November 2025	12.00pm	In Person
09 February 2026	12.00pm	In Person
11 May 2026	12.00pm	In Person
10 August 2026	12.00pm	Online
21 September 2026	12.00pm	Online

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Lead and develop leadership within our community. • Constantly strive to improve our services. • Forge closer relationships with customers.
Accountability	<ul style="list-style-type: none"> • We are careful, conscientious and diligent. • Use public resources economically and efficiently. • Investigate matters thoroughly and objectively.
Respect	<ul style="list-style-type: none"> • Treat people fairly, with respect and have proper regard for their rights. • Treat our customers with courtesy and respect.
Excellence	<ul style="list-style-type: none"> • Actively pursue positive outcomes for the community. • Investigate matters thoroughly and objectively.

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1 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.

2 WELCOME

Welcome by Bruce Potgieter Chairperson

3 PRESENT

Bruce Potgieter, Michael Ulbrick, Peter Johnston, Tammy Smith, Joel Turner, Paul Harrison, Kylie Zanker, Vanessa Lantzakis, Tim Rose, Daniel Brandon, Karly Kirk, Anita McFarlane and Bernadine Schilling.

4 APOLOGIES

Peter Schnorrenberg, Cassandra Gravenall and Kathie Teasdale.

5 CONFLICTS OF INTEREST

Nil.

6 MINUTES OF PREVIOUS MEETING

6.1 Ordinary Audit and Risk Committee Meeting Minutes – 14 July 2025

Minutes of previous meeting held on the 14 July 2025 be adopted.

Resolution

That the minutes from the 14 July 2025 Ordinary Meeting be adopted by the Audit and Risk Committee.

6.2 Special Audit and Risk Committee Meeting Minutes – 22 September 2025

Minutes of previous meeting held on the 22 September 2025 be adopted.

Resolution

That the minutes from the 22 September 2025 Special Meeting be adopted by the Audit and Risk Committee.

7 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 has been included in the Long-Term Financial Plan health check and review. Refer to item 9.2.	Closed

Schedule of Matters Carried Forward	Update / Outcome	Status
17/07/25 Ordinary Meeting: Long Term Financial Plan to be presented to Leadership Team, Councillors and the Audit and Risk Committee.	This was presented on 15 October 2025.	Closed
17/07/25 Ordinary Meeting: 8.4 Financial and Non Financial Performance Report – Reclassifying cash on hand to identify restricted and unrestricted to be noted on the Balance Sheet.	This has been included in the Quarter 1, 2025-26 Financial and Non-Financial Performance Report.	Closed
17/07/25 Ordinary Meeting: RSD to update the Strategic Internal Audit plan to include Emergency Management.	Refer to Agenda Item 13.1	Closed
17/07/25 Ordinary Meeting: Use of Artificial Intelligence Policy review, update and how we use AI in the organisation.	Refer to Agenda Item 17.1	Closed
17/07/25 Ordinary Meeting: That a report on Fuel Cards Fraud Prevention and Risk Management will be presented at the next ordinary Audit and Risk Committee meeting.	Refer to Agenda Item 17.2	Closed

8 COMMITTEE MANAGEMENT

8.1 Annual Work Plan Update

This section presents the annual work plan – July 2025/26, 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
Work Plan Item 34	November 2025	Awaiting Questionnaire from VAGO, expected soon and will present report at February meeting.
Work Plan Item 47 Annual Assessment of Performance – Audit and Risk Committee	October (previous Work Plan 2024-25)	Request RSD Audit to initiate annual performance assessment of committee. Scope of assessment to include independent members and Councillors. Report to be tabled at February meeting.

Items Brought Forward	Date in AWP	Outcome / Action
Nil.		
Plan Revisions	Date in AWP	Outcome / Action
The Annual Work Plan is due for review in May each year.	May 2025	N/A

Notes during meeting:

- **VAGO Questionnaire:** The questionnaire has been completed.
- **Performance Assessment Process:** RSD Audit will develop a Microsoft Form to initiate the performance assessment. The Chair requested that the survey also be distributed to Management to capture their perspective on the Audit and Risk function.

ACTION

- Governance Support Officer to send RSD Audit a list of all Management representatives and Audit and Risk Committee members.

9 FINANCIAL AND PERFORMANCE REPORTING RESPONSIBILITIES

9.1 Review Management Financial and Non Financial Performance Report

This report included both the Financial and Non-Financial Performance indicators as adopted in Council's Performance Management Framework and Risk Appetite.

Resolution

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

Notes during meeting:

- Glenorchy Road project has been deferred to next financial year.

ACTION

- **Financial Forecast Statement:** Prepare a statement outlining the current financial position and projected expenditure through to June. A supporting table is encouraged to provide clarity.

9.2 Review Long Term Financial Plan

Under the *Local Government Act 2020* (The Act) Council must develop, adopt and keep in force a Long Term Financial Plan (LTFP) in accordance with its deliberative engagement practices, and the scope of a LTFP must be a period of at least the next ten financial years. The draft 10-year LTFP has been developed and aligns with the Council Plan 2025-2029, and Council's Asset Management Strategy.

Resolution

That the Audit and Risk Committee note the Draft Long Term Financial Plan Report.

That the Audit and Risk Committee note that the Draft Long Term Financial Plan is currently out for community consultation and Councillors will make a decision on the recommendations outlined in the report in January 2026.

A report on the outcome of Councillors decision will be provided at the February 2026 Audit and Risk Committee meeting.

Notes during meeting:

- **Waste and Recycling Management:** Council's decision on waste and recycling management should take into account the financial viability of the proposed options.
- The importance of councillors thoroughly reviewing the recommendations was reiterated, particularly in terms of the financial implications and potential reallocation of funds.

ACTION

- Include a standing agenda item for the next 12 months to monitor progress against the recommendations. This should include:
 - Alignment of the budget with the Long-Term Financial Plan (LTFP).
 - Tracking within the context of the Annual Report.
 - Clear target dates and timelines.
- Once Council has made its decision regarding waste management, prepare a report for February detailing how the decision aligns with the LTFP.

10 INTERNAL CONTROL ENVIRONMENT**10.1 Significant Changes to Key Systems and Risk Profile Considerations**

A report was provided that identified any key changes to systems that may impact Council's strategic and operational risks.

Resolution

That the Audit and Risk Committee note the report.

11 RISK MANAGEMENT**11.1 Review Council's Risk Profile, Treatment Plans and Risk Register Reports**

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

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:

Following the completion of this report, strategic risks have been realigned to reflect and support the Strategic Objectives outlined in the Council Plan.

11.2 Review of Council's Insurance Programme

The purpose of this report is to outline Council's insurance policy coverage and any areas where insurance coverage may be limited or increases Council's risk exposure.

Council completed its insurance review and renewal program of insurance for the 2025-26 financial year at the end of June 2025.

Resolution

That the Audit and Risk Committee note the Report.

11.3 Essential Eight Assessment & Digital Maturity

The Essential Eight Maturity Level 2 Scoping Report outlined the findings and recommendations from the Essential Eight Maturity Level 2 scoping engagement conducted by Star21 for Yarriambiack Shire Council. with input from Council's Business Systems Team.

The Yarriambiack Shire Council Cyber Review (JLT) report presents data from 2022 to 2025. The report identifies areas for improvement and will help prioritise actions to assist with our cyber security controls.

Resolution

That the Audit and Risk Committee note the reports.

Notes during meeting:

It was confirmed that sufficient resources are available to manage and maintain Level 2.

12 FRAUD PREVENTION SYSTEMS AND CONTROLS

12.1 Review Councils Fraud Prevention Policies, Controls and Instances of Fraud

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

That the Audit and Risk Committee note the report.

13 INTERNAL AUDIT FUNCTION

13.1 Update on Status of Annual Internal Audit Plan

Council's internal auditor, RSD, prepares both a Strategic Internal Audit Plan for a four (4) year period, along with a detailed 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.

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

- Child Safety Standards
- Records Management

Resolution

That the Audit and Risk Committee confirm the Strategic Internal Audit Plan for 2026/2029.

Notes during meeting:

It was confirmed that an ICT audit was conducted in November 2024, which is why the next audit is scheduled for 2029.

13.2 Review Scope of Proposed Internal Audit Reviews

Victorian organisations that work with children must comply with the Child Safe Standards, which are designed to protect children from harm and ensure their safety, wellbeing and inclusion in all environments. Compliance is a legal requirement under Victorian legislation. As highlighted in the Annual Internal Audit Plan 2025-2026, Council's next audit will commence in November 2025 and focus on Child Safety.

In accordance with Part 6 of the *Child Wellbeing and Safety Act 2005*, Council is required to comply with the Child Safe Standards as set out in the legislation. The scope for this audit is as follows:

- Review and align Council policies, procedures, and strategic planning with the 11 Child Safe Standards.
- Ensure cultural safety for Aboriginal children, children from culturally and linguistically diverse backgrounds, and children with disabilities.
- Evaluate staff and volunteer training, induction, and screening processes to ensure compliance with child safety requirements.
- Assess record management practices to ensure appropriate long-term maintenance of disclosure records and effective monitoring of compliance.

An audit report will be presented to the Audit and Risk Committee once complete.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:

RSD is scheduled to commence field work in the coming weeks.

13.3 Review Reports on Internal Audit Reviews

No Internal Audit Reports received since last meeting.

14 EXTERNAL AUDIT**14.1 Review External Audit Scope and Plan/Interim Management Letter**

No Audit Report required for this quarterly meeting.

14.2 Review Performance of External Auditor

The Management team provided an update to the Audit and Risk Committee Chair on the Audit process, outlining any areas of concern and/or positive performance.

Resolution

That the Audit and Risk Committee Chair note the discussion and provide feedback to VAGO.

Notes during meeting:

- Survey forms were released last week.

ACTION

- The results of the survey will be tabled at the February meeting.

14.3 VAGO Reports

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

Recommended Action

That the Audit and Risk Committee note the report.

15 REGISTER OF OPEN AUDIT ACTIONS (INTERNAL AND EXTERNAL)

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

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.

There is a total of 14 audit action items open with 13 of these being classified as overdue.

Table One: Summary of Movements Since Last Meeting

	Priority				
	Extreme	High	Medium	Low	Total
Open Actions at 06 July 2025	0	1	3	9	13
Add new Agreed Actions Reported in the Period	0	0	0	2	2
Less Actions Closed in the Period	0	0	0	4	4
Open Actions at 23 October 2025	0	1	3	7	11

Table Two: Summary of Overdue Open Actions

	Priority				
	Extreme	High	Medium	Low	Total
Overdue Open Actions at 06 July 2025	0	1	3	9	13
Add new Agreed Overdue Actions Reported in the Period	0	0	1	0	1
Less Overdue Closed in the Period	0	0	0	4	4
Overdue Open Actions at 23 October 2025	0	1	4	5	10

Resolution

- That the Audit and Risk Committee approve the Audit actions presented in the report be marked as closed.
- That the Audit and Risk Committee note the Audit Task Report as of 22 October 2025.

Notes during meeting:

ACTION

- Reporting Enhancements:** For future reports, include a comment indicating the percentage of completion for each item. This will help identify progress, highlight delays, and flag any overdue actions. Ensure reasons for delays are clearly outlined.

16 COMPLIANCE AND GOVERNANCE MATTERS**16.1 Management Reporting**

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

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.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:

Transparent reporting to Leadership Team and Councillors.

16.2 RSD Update – Hot Topics

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

Resolution

That the Audit and Risk Committee note the report.

16.3 Assurance Mapping Annual Review

Assurance mapping gives an overview of an organisation's assurance activities, highlighting gaps or overlaps to ensure efficient resource use and alignment with objectives, including compliance and voluntary commitments. Internal Audit supports this process by providing objective advice to the Audit & Risk Committee, which reports to Council to maintain transparency and accountability.

A presentation was provided to the Audit and Risk Committee on how Management have addressed Assurance Mapping.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:

The Audit and Risk Committee expressed their satisfaction with the update provided.

ACTION

- Provide a high level summary of changes within Risk Register.

16.4 Review Reimbursement of Expenses to CEO, Councillors and Committees

The purpose of this report is to identify the expense reimbursements made to the CEO, Councillors and Members of Delegated Committees.

Resolution

That the Audit and Risk Committee note the report.

17 OTHER MATTERS

17.1 Review Artificial Intelligence Policy & Use within Organisation

Council's current Use of Artificial Intelligence Policy and information on AI in Local Government that was presented to the Councillors. This information highlights how artificial intelligence is transforming local government operations by driving efficiency, improving citizen engagement, and enabling data driven decision making.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:

ACTION

Provide an update in May outlining:

- Controls implemented to manage AI tool usage.
- Associated risks.
- Progress tracking against these measures.

This update will be incorporated into the Internal Controls Report.

17.2 Fuel Management and Anti-Theft Review

This report aims to provide an update to the Audit and Risk Committee on how Council is going to manage and mitigate the risks associate with fuel purchasing and use across the Council.

Resolution

That the Audit and Risk Committee note the report and provide feedback on the proposed approach to address the risk.

Notes during meeting:

- Confirmed the exploration of systems to support monitoring efforts.
- A vehicle tracking system is currently in place, capturing kilometres travelled and estimating fuel consumption to enable performance analysis.

ACTION

A follow-up to be scheduled in six months to assess:

- Implementation timelines.
- Identified gaps.
- Existing controls.
- **Risk Register Integration:** Once controls are fully implemented, relevant updates will be reflected in the Risk Register.

17.3 Proposal to Sell Land, Former Depot Sites in Hopetoun

Yarriambiack Shire Council has conducted a comprehensive review of its Long Term Financial Plan, which was endorsed by Councillors on 29 October 2025 and subsequently released for community consultation. As part of this review and financial health

assessment, it was determined that Council must reduce expenditure and, where feasible, divest surplus assets.

Two former depot sites in Hopetoun have been identified as excess to requirements and are proposed for consideration for sale.

Resolution

That the Audit and Risk Committee note that a report is being presented to Councillors on 26 November 2025.

Recognising limits in resourcing, it is then further recommended that Council Officers continue to review land and property that Council owns and assess options for sale and/or ownership transfer.

An update report is to be presented at each Audit & Risk meeting.

17.4 Proposal for Land Transfer Update

This report aims to provide the Audit and Risk Committee with an update on the proposed transfer and gifting of land that has been endorsed by the Council, on 29 October 2025, to commence the community consultation process, in accordance with Council's Community Engagement Policy and Procedure.

Resolution

That the Audit and Risk Committee note the reports and discuss any matters arising from the content and decision.

18 GENERAL BUSINESS

- a) **Biannual Committee Report:** The biannual report on the committee has been circulated and is scheduled to be presented at the Council Forum on 26 November 2025.
- b) **OHS Regulatory Changes:**
ACTION – Prepare a one-page summary outlining recent changes to OHS regulations and standards, including:
 - The impact on Council operations.
 - Any reporting requirements arising from the changes.

Also include in the summary:

- Current reporting obligations, including gender equality reporting, outlined to ensure the Audit and Risk Committee is fully informed of Council's compliance responsibilities in relation to OHS.

19 REFLECTION ON MEETING OUTCOMES

- a) Compliments towards the Agenda format and layout.

20 AGENDA FOR NEXT MEETING

- a) A preliminary update to be provided on the budget's progress, including the half-year finance review. This will be presented through the Financial and Non-Financial Performance Report.
- b) CFO to follow up with external auditor regarding the status of the report.

21 DATE OF NEXT MEETING

Monday 09 February 2026 at 12pm, Ordinary Audit and Risk Committee Meeting, In Person.

22 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.

23 MEETING CLOSE

---THE END---

24 CLOSED CONFIDENTIAL MEETING ACTIONS

Actions from the Closed and Confidential Meeting are:

- a) Waste Management Internal Controls to address risks related to Cash Handling.
- b) Caravan Park Internal Controls to address risks related to Cash Handling.