

MINUTES

Audit and Risk Committee Meeting

12.00 pm - Monday 05 May 2025

VENUE:

Yarriambiack Shire Council Office, Meeting Room (Hybrid option available - Online vis MS Teams)

NEXT ORDINARY MEETING: Monday 14 July Audit and Risk Committee Meeting, online.

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

Bruce Potgieter, Michael Ulbrick, Peter Johnston, Cr Karly Kirk, Paul Harrison (Internal audit) Tammy Smith (CEO), Anita McFarlane (Manager Corporate Services), Bernadine Schilling (Manager People and Culture), Daniel Brandon (Manager Business Systems), Peter Schnorrenberg (Asset Coordinator), Tim Rose (COO), Cassandra Gravenall and Bruce Preston (Crowe) Cr Kylie Zanker, Kathie Teasdale (RSD Internal audit)

3 APOLOGIES

Joel Turner (Chief Engineering Officer)

4 CONFLICTS OF INTEREST

Nil

5 MINUTES OF PREVIOUS MEETING

Resolution: The minutes from the March meeting were endorsed by the Audit and Risk Committee.

6 BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETING

6.1 Schedule of Matters Carried Forward	Update / Outcome	Status
July Minutes: 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.	Detailed review to be presented in July 2025 after budget completed.	Open

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List of Land for consideration for Sale	Next update to be presented by management in July 2025 regarding the two depot sites in Hopetoun. Agenda Item 10.2	Open
October Minutes: Annual Financial Statements	Signed off by Council on 26 March 2025 and by VAGO – to be advised. (awaiting the VAGO Statements)	Closed
October Minutes: A self-assessment against the Child Safe Standards be presented to the Committee.	This will be included in April 2025.	Open

7 External Audit

7.1 External Audit 2024/25, including Financial Statements and R2R and LRCI Audit Update.

The YSC Closing Report and the Final Management Letter with Observations was circulated as late attachments on the 02 05 May 2025 (once received).

The External Auditors addressed the reports during the meeting.

Resolution: The Audit and Risk Committee noted the reports.

Actions: Management to review and respond to the Final Management Letter with Observations and return to the External Auditors and provide a copy to the Audit and Risk Committee by no later than Monday 12 May 2025.

7.2 External Audit 2024/25 - Review Approved External Audit Scope and Plan

The 2024/25 Local Government Audit Strategy Memorandum was circulated as late attachments on the 02 05 May 2025 (once received).

Resolution: The Audit and Risk Committee noted the Report.

7.3 Update AASB -13 Fair Value Measurement on 2025 audit

As at 30 June 2025, AASB 13 requires certain requirements to be considered as part of the valuation of assets as part of Fair Value Measurement. A report was presented on the requirements.

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

7.4 VAGO Reports

Resolution: The Audit and Risk Committee noted the report.

8 ANNUAL WORK PLAN

The annual workplan was attached in the Agenda for review.

8.1 Items Deferred to Future Meetings	Date	Outcome / Action
Item 43 on Workplan – Report on Committees Activities to Council	03 March 2025 & 14 July 2025	This was provided to Councillors in February and will be provided again in July 2025.

8.2 Items Brought Forward	Date in AWP	Outcome / Action
NIL		

8.3 Plan Revisions	Date in AWP	Outcome / Action
NIL		

Resolution:

The Audit and Risk Committee endorsed the Annual Work Plan 24/25.

9 COMMITTEE MANAGEMENT

9.1 Review of Committee Charter

The Audit and Risk Committee reviews its Charter to ensure it remains aligned with legal and regulatory requirements, reflects current best practices and organisational needs, clearly defines roles and responsibilities, and supports effective governance.

Resolution: The Audit and Risk Committee endorsed changing the frequency for review to every 2 years.

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.

Resolution:

The Audit and Risk Committee noted the report.

Action:

Management to revise the 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.

10.2 Land List for Review and consideration

Council has 103 parcels of land listed in its Asset Register. A detailed assessment is required to assess what land parcels are surplus to Council's requirements. Council has two surplus depots identified in Hopetoun. Further investigation is required to assess their suitability for sale.

Resolution:

The Audit and Risk Committee noted the report.

Action: A report will be presented to the July Audit and Risk Committee to review prior to being presented to Council. The report is to list the parcels of land that Council will pursue for sale and the applicable actions required.

11 INTERNAL CONTROL ENVIRONMENT

11.1 Significant Changes to Key Systems and Risk Profile Considerations

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

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

12 RISK MANAGEMENT

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

A report was provided to outline the effectiveness of Council's Risk Management Framework. The report included a status of Council's Strategic Risk register following quarterly review. The report provided details of Council's High and Extreme Operational risks, along with further details on the control measures in place for these risks.

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

12.2 Review Councils Risk Management Framework and Risk Appetite

A review of Councils Risk Management Manual has been completed 15 April 2024, which includes the Risk Appetite Statement.

Resolution:

That the Audit and Risk Committee noted the report and acknowledged no changes required to the Risk Appetite.

12.3 Essential Eight Assessment /Digital Maturity

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

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

12.4 Information Management and Core Business Systems

This report detailed the primary systems in place for financial management, payroll, HR, regulatory services, customer service, and records management. These systems support the organisation in achieving its strategic and operational goals.

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

12.5 Review Business Continuity Planning Framework and Testing Regime

The aim of the report was to outline the effectiveness of Council's BCP Framework and Testing Regime.

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

12.6 Assurance Mapping

A report will be presented each quarter to Councillors, via Forum, the Leadership Team and the Audit and Risk Committee reporting on exceptions and where the lines of defence are not being met or pose a risk to Council.

Resolution:

That the Audit and Risk Committee noted the report.

Action:

That the Audit and Risk Committee be provided with a list of Assurance activities due in the quarter and assurance that those obligations have been met. This is to be added to the Management Report, with the information to be retrieved from the Obligations tasks held in the RelianSys software system.

13 FRAUD PREVENTION SYSTEMS AND CONTROLS

13.1 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. Management reported no instances of fraud or corruption and no official reports of such matters to integrity bodies as of the meeting date.

Resolution: The Audit and Risk Committee noted the report.

14 INTERNAL AUDIT

14.1 Update on Status of Annual Internal Audit Plan

The following program is scheduled to be completed this financial year:

- Fraud, Corruption and Financial Internal Controls.

Resolution: The Audit and Risk Committee noted the report and that the outcome of the Audit will be presented to the Committee in July 2025

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

A report was presented to update the Committee on the status of Open Internal and External Audit Actions and recommend actions for close out.

There are a total of 14 audit actions open, with 8 classified as overdue. 1 overdue action has now been addressed, which will reduce the total open audit actions to 13.

The remaining open actions relate to:

- Asset Management (4) Council is in the process of implementing Asset Modelling software to address this requirement. The revised data will be available to inform the budget cycle for the 25/26 financial year.
- Social Media, System Access and IT Controls (9) – 6 current and 3 overdue with all being actionable during 2025.

Resolution:

That the Audit and Risk Committee approved the actions presented in the report be marked as closed and noted the Audit Task Report.

Close out Audit Action 45.5 Penetration Testing.

15 ASSET MANAGEMENT UPDATE

The objective of the report was to advise the Audit and Risk Committee of the works currently being undertaken regarding a review of the systems and processes around asset record management.

Resolution:

That the Audit and Risk Committee note the report.

That an additional Special Meeting be scheduled for the 16 June at 3pm for Management to present on the outstanding matters listed in the Management Letter and Actions undertaken and completed to ensure Council meets all External Audit timeframes related to the 2024-25 Financial Audit process.

16 COMPLIANCE AND GOVERNANCE MATTERS

16.1 Management Reporting

A summary of the management reporting on key performance indicators that impact the delivery of the Council Plan objectives, Council's other adopted strategies and compliance and legislative obligations. Monitoring such activities enables the CEO, COO and Councillors to address, and to understand and manage compliance and liability risks.

Resolution: The Audit and Risk Committee noted the report.

16.2 Council's Employee Code of Conduct

A report to outline the key processes Council takes to communicate its Employee Code of Conduct to ensure both employees and contractors understand Council's expectations when working for Council and how we monitor compliance was presented.

Resolution: The Audit and Risk Committee noted the report.

16.3 RSD Update – Hot Topics

A report was presented to identify integrity agency and governing body reports that may impact on Local Government.

Action: The Audit and Risk Committee noted the report.

17 OTHER MATTERS

NIL

18 GENERAL BUSINESS

NIL

19 REFLECTION ON MEETING OUTCOMES

Committee members mentioned the following:

- The agenda was well structured
- Shell accounts and condition assessments status.
- External audit activities timeline to be developed and circulated out of session to A&R Committee.
- Satisfied with topics on the agenda.

20 AGENDA FOR NEXT MEETING

21 DATES OF UPCOMING MEETINGS

- Monday 16 June - 3pm, Online - Special Audit and Risk Committee Meeting - Asset Management Only.
- Monday 14 July Ordinary Audit and Risk Committee Meeting, Online.

- Monday 22 September 12 noon, Special Audit and Risk Committee Meeting
Endorsement of Financial Statements and Performance Report, in person meeting.
- Monday 10 November, 12 Noon, Ordinary Audit and Risk Committee Meeting, in person.

22 MEETING CLOSE

The meeting was closed at 2.15pm