Yarriambiack
SHIRE COUNCIL

MINUTES

Audit and Risk Committee Meeting

Monday 11 May 2026 – 12.30pm, Online

VENUE:

Online, via Teams

NEXT MEETING: **10 August 2026**
In Person
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	26 February 2029
Independent Member	Peter Johnston	29 March 2023	26 February 2029
Councillor	Kylie Zanker	12 November 2025	November 2027
Councillor (Mayor)	Andrew McLean	12 November 2025	November 2027

Attendees

Position	Name
Chief Executive Officer	Tammy Smith
Internal Auditor – RSD Auditors	Kathie Teasdale
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
11 May 2026	12.30pm
10 August 2026	12.30pm
21 September 2026	12.30pm

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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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 Nations and Council pays respects to their Elders past, and present.

2 WELCOME

Welcome by Bruce Potgieter Chairperson

3 PRESENT

Bruce Potgieter, Michael Ulbrick, Tammy Smith, Bernardine Schilling, Tim Rose, Anita McFarlane, Joel Turner, Kathie Teasdale, Vanessa Latzakis, Cr Kylie Zanker, Mayor Andrew McLean, Daniel Brandon, Cassandra Gravenall and Peter Schnorrenberg.

Minute Taker: Monique Metlika

4 APOLOGIES

Peter Johnston.

5 CONFLICTS OF INTEREST

Nil.

6 MINUTES OF PREVIOUS MEETING

6.1 Ordinary Audit and Risk Committee Meeting Minutes

Minutes of previous meeting held on the 09 February 2026 be adopted.

Resolution

That the minutes from the 09 February 2026 Audit and Risk Committee Meeting be endorsed by the Audit and Risk Committee.

7 BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETING

Schedule of Matters Carried Forward	Update / Outcome	Status
10/11/25 Ordinary Meeting: A report prepared on the status of waste management each meeting over the next 12 months. Report is to provide update to Committee on alignment of waste services with budget, LTFP and Annual Report. Targets dates and timelines to be included, mapping proposed/adopted changes.	Following report from Council decision attached. Progress reports will be presented following the commencement of the service on 1 July 2026	Open
10/11/25 Ordinary Meeting: Provide update on controls and risks in relation to the use of AI in the organisation.	Refer to item 17.2	Closed
10/11/25 Ordinary Meeting: That a report on Fuel Management is presented to Audit and Risk Committee detailing control implementation timelines and identified gaps.	Report to be tabled in August 2026	Open
9/2/26 Addition of Psychosocial obligations report to be included in the Annual Workplan	Refer to item 8.2	Closed
9/2/26 Non-financial indictors to be reviewed as part of the broader risk appetite statement review.	Refer to item 11.2	Open

Schedule of Matters Carried Forward	Update / Outcome	Status
9/2/26 Audit Plan for Emergency Management and Climate change to be circulated to Committee prior to May.	Draft project scope attached. Refer to item 13.2	Closed
9/2/26 Asset Revaluation report for 2025-26	Refer to item 17.3	Closed
9/2/26 Concerns over resourcing and responsibility requirements in relation to Gender Equality reporting.	Refer to item 17.4	Closed
9/2/26 Audit and Risk Committee Independent Members Superannuation Information	Refer to item 17.5	Closed
9/2/26 Update in relation to Committee Terms of Reference	Refer to item 17.6	Closed
9/2/26 Compliance with Ministerial Guidelines relating to payment of rates and charges	Refer to item 17.7	Closed
9/2/26 Committee requested an estimate of Council's 30 June closing cash position, including clarification of restricted and unrestricted cash balances.	Refer to item 17.8	Closed
9/2/26 A report to be prepared in relation to how Council is tracking against key ICT and cyber security actions. Scheduled for November.	Report to be tabled in November 2026	Open

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 12 & 13 Review Risk Management Framework & Risk Appetite	May 2026	Refer to item 11.2
Work Plan Item 23 Review and Approve Strategic Internal Audit Plan	May 2026	Strategic Internal Audit Plan to be presented to committee following the risk register review that is currently being undertaken.

Items Brought Forward	Date in AWP	Outcome / Action
Work Plan Item 1 Adopt Committee Annual Work Plan	August 2026	Alignment of the committees work plan on a financial year basis.
Plan Revisions	**Date in AWP**	**Outcome / Action**
The Annual Work Plan is reviewed annually.	August 2025	Proposed change to timing of this activity as per item 8.2.

8.2 Adopt the Annual Audit and Risk Committee Workplan

Review the annual workplan to determine the key actions of the committee over the 2026-27 period.

Resolution

a) That the Audit and Risk Committee adopt the Annual Work Plan for 2026-27 with the proposed changes.

b) That the Audit and Risk Committee endorse the annual committee dates, and/or make changes to set them for the next 12 months.

Notes during meeting:
Endorsed the adopted of the annual work plan for 2026-27 and confirmed changes.

9 FINANCIAL AND PERFORMANCE REPORTING RESPONSIBILITIES

9.1 Review Management Financial and Non-Financial Performance Report

This report includes 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:

- Short term is noted as manageable, good processes and practices in place.
- Infrastructure and cost escalation, among other things, are burdens on local governments, specifically ours. Positive way forward with the waste and recycling decision.
- Violence towards staff is not as prevalent here, we have signage in customer service area now. We are taking a proactive approach.

Question from Peter Johnston (apology)

Capital Works is only 36% as at 31 March.

What is the likelihood of completing the program? What will be carried forward and/or not delivered?

All heavy Plant (approx. $800k) is currently on order and we expect it to be delivered prior to 30 June. Glenorchy Road rehabilitation ($700k) project has moved to the

2026/27 financial year. Reseals have been completed but the invoice had not been received at the time of completing the report ($420k). Still 4 shoulder resheets to be completed ($328k) 3 Resheets to be completed ($250k), 4 footpaths to be completed ($173k), 1 Kerbing job ($93k) and 1 drainage job ($75k) to be completed. Streetscape project at Yaapeet is currently being completed ($140k).

Approximately half of the Hopetoun Swimming Pool project and Landscaping and fencing of Hopetoun Community Housing will be carried forward to 2026/27. All other building and recreational projects are expected to be completed by 30 June.

It was noted that during the meeting that physically we only have 1 shoulder, no kerbing and 2 resheets left.

10 INTERNAL CONTROL ENVIRONMENT

10.1 Significant Changes to Key Systems and Risk Profile Considerations

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

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:
Noted.

11 RISK MANAGEMENT

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

The aim of this 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:
Noted and compliments on progress made.

11.2 Review Council's Risk Management Framework & Risk Appetite

To ensure Council's risk management framework and risk appetite remain current, aligned with strategic objectives and responsive to emerging financial, operational and compliance risks.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:
Noted.

11.3 Essential Eight Assessment & Digital Maturity

The aim of this report is to outline 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 note the report.

Notes during meeting:
ACTION: Report on the extent in which we are complying to the 11 standards under the Victorian Protective Data Security Standards (VPDSS).

11.4 Review Business Continuity Planning Framework and Testing Regime

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

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:

- Business Continuity Plan will be presented again at the August Audit and Risk Committee meeting.
- Discussed impacts of fuel availability and cost and how this has influenced the 2026/27 budget.

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.

Notes during meeting:
Noted.

13 INTERNAL AUDIT FUNCTION

13.1 Review and Approve Strategic and Annual Internal Audit Plans

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. As per report item 11.2, Council is awaiting the results of a comprehensive risk register review that is currently underway, before confirming if any changes will be made to the existing Strategic Internal Audit Plan 2026-2029.

However, based on current and emerging risks, RSD has prepared the Annual Internal Audit Plan for the 2026-27 financial year.

Resolution

That the Audit and Risk Committee consider the above audit projects and approve the Internal Audit Plan 2026-2027.

Notes during meeting:
Noted.

13.2 Update on Status of Annual Internal Audit Plan

Provide Audit and Risk Committee with a status update on the progress of the Internal Audit Plan 2025-2026.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:
• Requested for RSD to include a relationship diagram within Emergency Management audit. • Discussed an addition to the internal audit scope for this calendar year.

13.3 Review Scope of Proposed Internal Audit Reviews

Local government plays a critical role in emergency management through legislated responsibilities and partnerships with other agencies. Climate change is increasing the frequency, severity and complexity of emergencies (such as bushfires, heatwaves, floods and storms), requiring councils to better integrate climate change considerations into emergency management planning, operations and governance.

The objective of this review is to assess the adequacy and effectiveness of Council's emergency management governance, planning and operational arrangements, including how climate change risks, adaptation and resilience are incorporated into emergency management activities.

Resolution

The Audit and Risk Committee notes the report and endorses the attached draft project scope.

Notes during meeting:
Noted and endorsed.

13.3 Review Reports on Internal Audit Reviews

No Internal Audit Reports received since last meeting.

14 EXTERNAL AUDIT

14.1 Review & Approve External Audit Scope & Plan

To provide the Audit and Risk Committee with an update on the progress of the 2025/26 external audit.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:
Discussed and noted.

14.2 VAGO Reports

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

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:
• Recommended to consult with Melton Shire on how to streamline annual financial statements.

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.

Resolution

a) That the Audit and Risk Committee approve the Audit action presented in the report be marked as closed.

b) That the Audit and Risk Committee note the Audit Task Report as of April 2026.

Notes during meeting:
Approved and noted.

15.2 Review Effectiveness of Internal Audit Function

Provide assurance to Audit and Risk Committee on the effectiveness of Councils internal audit function.

Resolution

That this matter is moved to 'General Business' for discussion in the absence of Internal Auditors.

Notes during meeting:
The Audit and Risk Committee are satisfied with the performance of the internal audit and the effectiveness of the audit function.

16 COMPLIANCE AND GOVERNANCE MATTERS

16.1 Management Reporting

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.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:
Noted.

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.

Notes during meeting:
Noted.

16.3 Council's Employee Code of Conduct

This report provides assurance to the Audit and Risk Committee on the controls and processes Council uses to communicate the Employee Code of Conduct to employees and contractors, and the arrangements in place to monitor and report compliance.

Resolution

That the Audit and Risk Committee notes this report.

Notes during meeting:
Noted.

17 OTHER MATTERS

17.1 Report on Committee's Activities to Council

This report updates Councillors on recent Audit and Risk Committee activities. The Chair will prepare a separate report.

Resolution

That the Audit and Risk Committee Chair discusses a suitable time to present a report at Council Forum.

Notes during meeting:
To be discussed further and report circulated out of session.

17.2 The Use of Artificial Intelligence within Council

Council is transitioning from ad-hoc AI use to a stronger policy led, security aware model. AI adoption is focused on controlled productivity gains while maintaining strong privacy, security, and accountability controls aligned with legislative and regulatory obligations.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:

- Noted that as best practice it should be disclosed that AI has been used and that a human takes responsibility for the oversight and accuracy of the information provided (in reports and policies etc.).
- AI only to be used in a closed system internally.
- **ACTION**: Provide responses to dot points raised and noted and how they have been incorporated.

17.3 Asset Revaluation Report 2025-26

In accordance with the Resolution from the Victorian Auditor General's Office management has prepared a report outlining their approach to assessing fair value of assets for the 2025/26 financial year and presents this report to the Audit and Risk Committee.

Resolution

That the Audit and Risk Committee endorse the Yarriambiack Shire Council Asset Revaluation Review Report.

Notes during meeting:
ACTION: Ensure that this report and Crowe's report align.

17.4 Resource and Responsibility Requirements for Gender Equality Reporting

To brief the Audit and Risk Committee on correspondence sent to the Commissioner for Gender Equality in the Public Sector regarding the resourcing and organisational responsibility required to meet obligations under the *Gender Equality Act 2020 (Vic)*, and to highlight associated compliance and operational risks for a small rural council.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:
Noted.

17.5 Audit and Risk Committee Independent Members Superannuation Information

The purpose of this report is to outline the superannuation obligations applicable to independent members of the Audit and Risk Committee (ARC) and to calculate the superannuation component of existing meeting fees, noting that the fees will become superannuation-inclusive with no change to the total payment amounts.

Resolution

a) That the Audit and Risk Committee note the report;

b) That independent members confirm their willingness to complete the required superannuation form; and

c) That independent members acknowledge that superannuation payments will commence from this meeting onwards.

Notes during meeting:
Audit and Risk Committee independent members acknowledged and confirmed that they will complete the form.

17.6 Update on Committee Terms of Reference

The purpose of this report is to provide the Audit and Risk Committee (ARC) with the draft Terms of Reference for independent members of the Audit and Risk Committee, developed following the February 2026 meeting, and to seek feedback on any proposed amendments prior to finalisation and implementation.

Resolution

a) That the Audit and Risk Committee note the report; and

b) That independent members provide any proposed amendments for incorporation prior to finalisation.

Notes during meeting:
Audit and Risk Committee independent members endorsed the Terms of Reference.

17.7 Ministerial Guidelines Relating to the Payment of Rates and Charges

The purpose of this report is to outline how we comply with the Ministerial Guidelines

Relating to the Payment of Rates and Charges

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:
Noted.

17.8 Estimated Cash Position as at 30 June 2026

The purpose of this report is to provide the Audit & Risk Committee an estimate of Council's 30 June closing cash position including clarification of restricted and unrestricted cash balances.

Resolution

That the Audit and Risk Committee note the report.

Notes during meeting:
ACTION: Put a graph in displaying actual total cash and unrestricted cash in each quarterly report for the next year.

18 GENERAL BUSINESS

a) Chair to initiate discussion regarding the effectiveness of the Internal Audit Function.

b) Actions to be recorded in the Ordinary Audit and Risk Committee Agenda from the Confidential Audit and Risk Committee meeting.

19 REFLECTION ON MEETING OUTCOMES

- **ACTION**: Reports are to be taken as read and noted at the commencement of the meeting, without discussion.
- **ACTION**: Include in section 5 'Conflict of Interest' confirmation in relation to independence on internal audit.

20 AGENDA FOR NEXT MEETING

- Chair will determine which items are to just be noted and read. Include as a table to the front of the agenda.

21 DATE OF NEXT MEETING

Monday 10 August 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.

Attachment

Attachment: Council Meeting Minutes 25 February 2026 - Item 11.2 Audit and Risk Committee Meeting

23 MEETING CLOSE

2.05pm

---THE END---