



GOLDEN PLAINS SHIRE

MINUTES

Audit and Risk Committee Meeting

9.00am Thursday 20 October 2022

VENUE:
Golden Plains Civic Centre
Council Chambers
2 Pope Street, Bannockburn

NEXT AUDIT AND RISK COMMITTEE MEETING
9.00am Tuesday 8 November 2022

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**MINUTES OF GOLDEN PLAINS SHIRE COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE GOLDEN PLAINS CIVIC CENTRE, COUNCIL CHAMBERS, 2 POPE STREET,
BANNOCKBURN
ON THURSDAY, 20 OCTOBER 2022 AT 9.00AM**

PRESENT: Mr Joe Adamski, Mr Andrew Pearce (Chair), Mr Phil Delahunty, Cr Gavin Gamble (Mayor), Cr Clayton Whitfield

IN ATTENDANCE: Ben Jordan (Acting Director Infrastructure and Environment), Fiona Rae (Acting Director Corporate Services), Steven Sagona (Director Community, Planning and Growth), Rosie Wright (Coordinator Governance and Risk), Sophie Brown (Governance and Risk Specialist)

APOLOGIES: Eric Braslis (CEO), Phillip Josipovic (Director Infrastructure and Environment)

1 APOLOGIES AND LEAVE OF ABSENCE

- Eric Braslis (CEO)
- Phillip Josipovic (Director Infrastructure and Environment)

2 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski
Seconded: Mr Phil Delahunty

That the minutes of the Audit and Risk Committee Meeting held on 10 May 2022 be confirmed.

CARRIED

3 DECLARATION OF CONFLICT OF INTEREST

Committee members must disclose a conflict of interest in accordance with Section 130 of the *Local Government Act 2020*.

Nil.

4 COMMITTEE REPORTS

4.1 AUDIT COMMITTEE ACTION ITEMS

EXECUTIVE SUMMARY

This report is to update the Committee on the progress and completion of any actions recorded at previous Committee meetings.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Phil Delahunty

That the Audit & Risk Committee note the progress on actions from the previous meetings as of 20 October 2022 (Attachment 1).

CARRIED

4.2 OUTSTANDING INTERNAL AND EXTERNAL AUDIT ACTIONS

EXECUTIVE SUMMARY

This report serves to update the Audit & Risk Committee on the progress of all internal and external audit recommendations within the Strategic Internal Audit Plan (SIAP), Internal Risk Management Audit, VAGO Interim Management Letter and Local Government Inspectorate Report.

COMMITTEE RESOLUTION

Moved: Cr Clayton Whitfield

Seconded: Mr Phil Delahunty

That the Audit & Risk Committee note the updates on the outstanding Internal and External Audit Actions report (Attachment 1).

CARRIED

4.3 VAGO - SEXUAL HARRASSMENT IN LOCAL GOVERNMENT QUARTERLY UPDATE

EXECUTIVE SUMMARY

In February 2021, the Audit and Risk Committee were presented with the findings of the Audit report conducted by the Victorian Audit Generals Office (VAGO) on Sexual Harassment in Local Government.

An action plan has been developed by Council to incorporate these recommendations and also the requirements of the *Gender Equality Act 2020* due to the close alignment.

This report provides a quarterly update on the progress of the implementation plan to the Audit and Risk Committee.

In addition, Council resolved at the Council meeting of 27 April 2021, to receive quarterly reports to the council on actions, progress and implementation of the recommendations as contained in the "Sexual Harassment In Local Government" report conducted by the Victorian Auditor-General's Office, December 2021 and adopted by Golden Plains Council in February 2021. As a result, this report will be presented to Council on 25 October 2022.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee:

1. Note the update on the implementation of the action plan for the recommendations made in the VAGO report into Sexual Harassment in Local Government;
2. Note this report will be presented to Council on 25 October 2022.

CARRIED

4.4 PUBLICATIONS OF INTEREST

EXECUTIVE SUMMARY

Crowe's 'Curious Eyes' report (Attachment 1) provides a summary of key industry reports that have been released during April 2022 to June 2022 and identifies outcomes from audits or reviews that may impact on Golden Plains Shire.

The report is provided for the Audit and Risk Committee's noting.

COMMITTEE RESOLUTION

Moved: Cr Gavin Gamble

Seconded: Mr Joe Adamski

That the Audit and Risk Committee note the publications of interest for April 2022 to June 2022 as prepared by Internal Auditors, Crowe.

CARRIED

4.5 INTERNAL AUDIT PROGRESS REPORT

EXECUTIVE SUMMARY

Crowe are Golden Plains Shire Council appointed internal audit providers.

In accordance with the Council's internal audit contract specification, Crowe will provide progress on the current internal audit plan as at 4 October 2022 including:

- Data Analytics
- Cyber Security Review
- HR Processes
- Complaints Handling
- Incoming non-recurring Grants

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Cr Clayton Whitfield

That the Audit & Risk Committee:

1. Note the internal audit progress report (Attachment 1);
2. Note the findings from the Q3 Accounts Receivable and Sundry Debtors Data Analytics Review (Attachment 2).

CARRIED

4.6 INSTANCES OF FRAUD OR CORRUPTION AND ACTIONS TAKEN

EXECUTIVE SUMMARY

Fraud and Corruption Awareness training is provided to all staff on a regular basis and also included in staff induction packs.

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee note that no instances of fraud have been detected in the fourth quarter of 2021-22.

CARRIED

4.7 CEO DELEGATION REVIEW

EXECUTIVE SUMMARY

The Chief Executive Officer's delegation to determine any issue, take any action or do any act or thing is currently limited by a condition not to enter into any contract exceeding the value of \$400,000 or make any expenditure that exceeds \$400,000. With the increasing cost of capital projects, an analysis of past tenders and benchmarking of similar Councils has been completed and is now presented to the Audit and Risk Committee.

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee:

1. Note the report on an increase to the CEO's financial delegation from \$400,000 to \$700,000; and
2. Note including a provision in the CEO delegation that, where a contract or expenditure has been budgeted for in the adopted budget, allows the CEO to enter into contracts and/or make expenditure up to the amount provided in the budget, regardless of whether that amount is otherwise over the CEO's financial delegation.

CARRIED

4.8 RISK OWNER PRESENTATION

EXECUTIVE SUMMARY

At each Audit and Risk Committee meeting, a risk owner will present on one of Golden Plains Shire Councils 13 Strategic or Organisational Risks, with today's presentation on Workforce Management.

COMMITTEE RESOLUTION

Moved: Cr Clayton Whitfield

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee note the presentation on the Organisational Risk – Workforce Management presented by Council's Coordinator People and Safety.

CARRIED

4.9 RISK MANAGEMENT & INSURANCE QUARTER 4 REPORT

EXECUTIVE SUMMARY

To ensure that Council delivers on its commitment to risk management, the Audit and Risk Committee is provided with a risk report and update at each meeting, including new risks identified, any emerging risk events/issues, audits undertaken during the quarter, upcoming audits, and other items of interest for the Committee.

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski
Seconded: Mr Phil Delahunty

That the Audit and Risk Committee receive and note the Risk Management and Insurance Quarter 4 Report.

CARRIED

4.10 GOVERNANCE QUARTER 4 REPORT

EXECUTIVE SUMMARY

To ensure that Council delivers on its commitment to Governance and compliance, the Audit and Risk Committee is provided with a governance report at each meeting, including an update on the Governance Reform and Improvements Program and other items of interest for the Committee. The governance report is also presented to Councillors on a quarterly basis.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce
Seconded: Cr Gavin Gamble

That the Audit and Risk Committee receive the Governance Quarter 4 Report, noting the progress achieved on governance reforms and continual review of processes and practices in order to strengthen governance.

CARRIED

4.11 OHS QUARTER 4 REPORT

EXECUTIVE SUMMARY

This report provides the Audit and Risk Committee with an update on Council's OHS performance for the period of 1 April 2022 to 30 June 2022.

Golden Plains Shire again ran influenza vaccination clinics for staff at the Golden Plains Civic Centre and the Smythesdale Well. This was well patronized with almost 50% of staff receiving a vaccination.

COVID-19 has continued to pose great challenges to how we operate, especially with infections in the community becoming widespread. To meet these challenges the OHS team have been providing regular and updated advice on how to best contain the spread in the workplace and also meet community need. This challenge is expected to continue for the foreseeable future.

COMMITTEE RESOLUTION

Moved: Cr Clayton Whitfield

Seconded: Mr Joe Adamski

That the Audit and Risk Committee receive and note the Occupational Health and Safety (OHS) Quarter 4 report for 2021-22.

CARRIED

4.12 QUARTER 4 FINANCE REPORT

EXECUTIVE SUMMARY

As at 30 June 2022, the Income Statement reports total operating revenue of \$52.6m and total operating expenditure of \$46.5m, which results in a year-to-date surplus of \$6.0m. This is \$1.5m unfavourable compared to the original budget, and \$252k unfavourable to the revised budget.

The Capital Works Statement indicates total capital works expenditure (including commitments) of \$14.4m, which is \$3.7m below the original budget, and \$10.8m below the revised budget. The revised budget includes \$8.7m rolled forward for projects.

The Quarter 4 report will be presented to the Audit and Risk Committee at the 20 October 2022 meeting for noting.

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Mr Joe Adamski

That the Audit & Risk Committee note the content in the Quarter 4 (Final Quarter) Finance Report for the 12 months ended 30 June 2022.

CARRIED

4.13 END OF YEAR AUDIT, FINANCIAL STATEMENTS & MANAGEMENT LETTER

EXECUTIVE SUMMARY

This report is for the Audit and Risk Committee to note the Financial Statements and Performance Statement as attached and note two Councillors will certify these statements in accordance with Section 99 of the *Local Government Act 2020*.

Due to the tight timeline in approving the 'In Principle' Performance Statement and 'In Principle' Financial Statements following completion of the audit, it is necessary to authorise two Councillor representatives of Council to certify them. At the Council meeting of 19 July 2022 Council resolved this approval, authorising Cr Gavin Gamble (Mayor) and Cr Clayton Whitfield to certify.

The Financial Statements and Performance Statement are approved 'In Principle', being approval of the statements subject to the Victoria Auditor-General's Office (VAGO) clearance and no material changes to the accounts are presented, which is consistent with the approach adopted in prior years and by other Councils. Any material changes require approval from the Audit and Risk Committee.

The Financial Statements and Performance Statement were presented to Council at the 18 October 2022 meeting and will be presented to the Council meeting on 25 October 2022 for approval.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That the Audit and Risk Committee note:

1. The attached 2021-22 Annual Financial Statements and Performance Statement in principle, in accordance with section 99(2) of the *Local Government Act 2020* upon the statements being approved by Council;
2. Completion of the External Audit by the Victoria Auditor-General's Office (VAGO);
3. VAGO Audit Management Letter and VAGO Closing Report attached;
4. Council have authorised Cr Gavin Gamble (Mayor) and Cr Clayton Whitfield to certify the final audited 2021-22 Financial Statements and Performance Statement on behalf of Council, in accordance with Section 99 of the *Local Government Act 2020*.

CARRIED

4.14 LOCAL GOVERNMENT PERFORMANCE REPORTING INDICATORS - END OF YEAR REPORT

EXECUTIVE SUMMARY

Council is required under the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020 to report on its performance in accordance with the Local Government Performance Reporting Framework (LGPRF).

Council's performance against LGPRF measures is reported to management, the Audit & Risk Committee and Council on a six-monthly basis and included in the Golden Plains Shire Council Annual Report.

The end of year report for the period 1 July 2021 to 30 June 2022 is provided for Council's information (Attachment 1).

COMMITTEE RESOLUTION

Moved: Cr Clayton Whitfield

Seconded: Mr Joe Adamski

That the Audit and Risk Committee note the end of year report on the Local Government Performance Reporting Indicators (Attachment 1) for the period 1 July 2021 to 30 June 2022.

CARRIED

4.15 ASSESSMENT OF COMMITTEE PERFORMANCE

EXECUTIVE SUMMARY

Under section 13 of Golden Plains Shire Council's adopted Audit and Risk Committee Charter and in accordance with the Local Government Act, the Committee is required to complete an annual assessment of its performance, which is to be tabled at the next Council meeting. Following the completion of the self-assessment at the October Audit and Risk Committee meeting, this report presents the outcomes for 2021/22.

The results from the 2021/22 self-assessment indicates that the committee members are satisfied with the performance of the Committee throughout 2021/22. The average result for all eight areas was rated at 97.1% 'adequate' or above.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That the Audit and Risk Committee notes:

1. The Audit and Risk Committee's self-assessment report for the 2021/22 year.
2. The areas that have improved from last year and opportunities for continual improvement.

Endorses the results of the self-assessment report for 2021/22 to be presented to the Council, in fulfillment of section 13 of the Local Government Act 2020 and the Audit and Risk Committee Charter.

CARRIED

4.16 STATUTORY OBLIGATIONS AND COMPLIANCE CALENDAR 2021/22

EXECUTIVE SUMMARY

To assist in understanding and meeting statutory obligations and key deadlines, a Statutory Obligations and Compliance Schedule is kept for each financial year.

The schedule was first implemented in 2019 following the Local Government Inspectorate Examination Report - February 2019 which highlighted the importance of a governance schedule. It has since been updated to include legislative requirements and obligations under the Local Government Act 2020 and other key legislation. The 2021/22 Schedule is presented for Audit and Risk Committee information.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Phil Delahunty

That Audit and Risk Committee receive and note the Statutory Obligations and Compliance Schedule for 2021/22 (Attachment 1).

CARRIED

4.17 COUNCILLOR EXPENSES - 2021/22

EXECUTIVE SUMMARY

Section 40(2) of the Local Government Act 2020, a Council must provide details of all reimbursements made to a Councillor or a member of a delegated committee for bona fide expenses that have been reasonably incurred in and reasonably necessary for the performance of the role as Councillor or delegated committee member. In accordance with this section, this report provides a record of expenditure made on behalf of Councillors in the performance of their duties for 2021/22.

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Mr Joe Adamski

That the Audit and Risk Committee note the contents of the Councillor expenses report for 2021/22, presented to Council on 23 August 2022.

CARRIED

The Meeting closed at 12:05pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 8 November 2022.

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CHAIRPERSON