



# **ATTACHMENTS**

**Under Separate Cover  
Council Meeting**

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**6.00pm Tuesday 24 May 2022**



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# **MINUTES**

## **Audit and Risk Committee Meeting**

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**9.30am Tuesday 10 May 2022**

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

**NEXT AUDIT AND RISK COMMITTEE MEETING**  
**9.30am Tuesday 13 September 2022**

## Audit and Risk Committee Meeting Minutes

10 May 2022

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## Audit and Risk Committee Meeting Minutes

10 May 2022

**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 TUESDAY, 10 MAY 2022 AT 9.30AM**

**PRESENT:** Mr Andrew Pearce (Chair), Mr Joe Adamski, Mr Phil Delahunty, Cr Gavin Gamble (Mayor), Cr Clayton Whitfield, Martin Thompson (Crowe), Travis Derricott (VAGO), Jung Yau (VAGO)

**IN ATTENDANCE:** Eric Braslis (CEO), Steven Sagona (Director Community Services), Simon Rennie (Director Corporate Services), Fiona Rae (Manager Finance), Rosie Wright (Coordinator Governance and Risk), Sophie Brown (Governance and Legal Services Specialist)

**1 APOLOGIES AND LEAVE OF ABSENCE**

Nil.

**2 CONFIRMATION OF MINUTES**

**COMMITTEE RESOLUTION**

Moved: Mr Joe Adamski

Seconded: Cr Clayton Whitfield

That the minutes of the Audit and Risk Committee Meeting held on 8 February 2022 be confirmed.

**CARRIED**

**3 DECLARATION OF CONFLICT OF INTEREST**

Committee members must disclose a conflict of interest in accordance with Section 79 of the *Local Government Act 1989*.

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 10 May 2022.

**CARRIED**

## 4.2 OUTSTANDING INTERNAL AND EXTERNAL AUDIT ACTIONS

### EXECUTIVE SUMMARY

This report updates the 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: Mr Joe Adamski  
Seconded: Cr Clayton Whitfield

That the Audit and Risk Committee notes the updates on the outstanding Internal and External Audit Actions report.

**CARRIED**

## 4.3 COUNCIL FIRST - PROGRESS UPDATE

### EXECUTIVE SUMMARY

This Report is the progress update in relation to the Council First - ICT Customer Property and Regulatory System.

Since the last report staff unavailability on both Council and Vendor sides have delayed the project by nearly 2 months, particularly to the Finance and Property and Rates areas.

Records Management and Customer Request Management area have proceeded with both having configuration underway in the development environments and workshops with Councils departments.

All scoping workshops have been completed during April and a revised project plan is to be ratified by the Project Controls Group on the 12<sup>th</sup> May.

### COMMITTEE RESOLUTION

Moved: Mr Joe Adamski  
Seconded: Mr Phil Delahunty

That Audit and Risk Committee:

1. Receive and note the progress report for the CouncilFirst Software as a Service (SaaS) project implementation.

**CARRIED**

#### 4.4 AGED CARE REFORM UPDATE

##### EXECUTIVE SUMMARY

Further to previous reports to the Audit & Risk Committee and to Council about impending changes to the aged care sector, Council considered the 'Best Value Review: Future of Home Support and Broader Policy for Older People, February 2022' at its Council meeting on 22 March 2022 and resolved to transition out of provision of the Commonwealth Home Support Program (CHSP) and Home and Community Care Program for Younger People (HACCPYP). Council also recommended one preferred and two capable value-aligned alternate service providers for the Commonwealth's consideration to assume Council's role in direct service provision from July 2022.

##### COMMITTEE RESOLUTION

Moved: Cr Clayton Whitfield

Seconded: Mr Joe Adamski

That the Audit & Risk Committee notes that Council:

1. Considered the findings and recommendations of the 'Best Value Review: Future of Home Support and Broader Policy for Older People, February 2022' at its Council meeting on 22 March 2022;
2. Resolved to transition out of provision of Commonwealth Home Support Program (CHSP) and Home and Community Care Program for Younger People (HACCPYP), noting the expected transition completion date of 30 June 2022.

**CARRIED**

#### 4.5 STATUS UPDATE ON PAYROLL MATTERS

##### EXECUTIVE SUMMARY

A verbal update will be provided by the Director Corporate Services, in relation to payroll matters and implementation of the payroll system.

##### RECOMMENDATION

Moved: Cr Clayton Whitfield

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee receive and note the update provided by the Director Corporate Services on the Payroll Audit Review process currently being undertaken by Council.

**CARRIED**



#### 4.6 INTERNAL AUDIT PLAN 2021-2022

##### 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 29 April 2022 including:

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

##### COMMITTEE RESOLUTION

Moved: Mr Joe Adamski

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee:

1. Note the internal audit progress report (Attachment 1).
2. Note the Memorandum of Audit Planning (MAP's) for complaints handling and incoming non-recurring grants (Attachments 2 and 3).
3. Note the findings from the internal audit on Cyber Security (Attachment 4).
4. Note the findings from the internal audit review into HR processes (Attachment 5).
5. Note the findings from the Q2 Accounts Payable Data Analytics Review (Attachment 6).
6. Note the Management comments on MAP's will be added to the Committee's Internal and External Actions List.

**CARRIED**

#### 4.7 PUBLICATIONS OF INTEREST

##### EXECUTIVE SUMMARY

The Reports and Publications of interest provides a summary of key industry reports that have been released during October 2021 to December 2021 which 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 Clayton Whitfield

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee note the Publications of Interest (October 2021 to December 2021) as prepared by Internal Auditors, Crowe.

**CARRIED**

**4.8 VAGO 2021/22 INTERIM AUDIT - STATUS UPDATE****EXECUTIVE SUMMARY**

This report provides an update on the status of the interim audit conducted by VAGO.

The interim audit is still in progress and nearing completion. No significant issues have been identified to date.

The draft management letter outlines findings from the interim audit and will be issued on completion of the interim audit.

**COMMITTEE RESOLUTION**

Moved: Mr Joe Adamski

Seconded: Cr Clayton Whitfield

That the Audit and Risk Committee note the current status of the interim audit being undertaken by the Victorian Auditor-General's Office (VAGO).

**CARRIED****4.9 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 Organisational Risk No.13 – Staff Safety.

**COMMITTEE RESOLUTION**

Moved: Mr Joe Adamski

Seconded: Cr Clayton Whitfield

That the Audit and Risk Committee note the presentation on the Organisational Risk – Staff Safety presented by Council's Coordinator Occupational Health and Safety, Will Neville.

**CARRIED**

**4.10 RISK MANAGEMENT AND INSURANCE QUARTER 3 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 Andrew Pearce

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee:

1. Receive and note the Risk Management and Insurance Quarter Three Report.
2. Note that Management will review the current strategic risks and report back to the Committee at the next meeting.

**CARRIED**

**4.11 OHS QUARTER 3 REPORT****EXECUTIVE SUMMARY**

This report discusses OHS information and performance for the period of 1 January 2022 to 31 March 2022.

During the third quarter of 2021/2022 the OHS team have been pro-actively working with the Infrastructure and Development's Outdoor works and Asset Management's teams conducting risk assessments on some of the high-risk plant. These risk assessments have helped identify a few areas for improvement and will assist in the development of standard operating procedures.

Covid 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 updated, regular 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.

Highlights for the quarter included:

- Assistance in conducting plant risk assessments on high-risk plant
- 2 yearly Audiometric testing for staff who require them
- Providing and updating COVID advice as changes occurred, including:
  - Mandatory third vaccinations for certain workgroups
  - Purchasing and distribution of rapid antigen tests

**COMMITTEE RESOLUTION**

Moved: Mr Joe Adamski

Seconded: Cr Clayton Whitfield

That Audit & Risk Committee receive and note the Occupational Health and Safety (OHS) Quarter 2 report for 2021-22.

**CARRIED**

**4.12 FINANCE QUARTER 3 UPDATE****EXECUTIVE SUMMARY**

As at 31 March 2022, the Income Statement reports total operating revenue of \$40.5m and total operating expenditure of \$30.6m, which results in a year to date surplus of \$9.9m. This is \$1.4m favourable compared to the original budget, and \$4.3m favourable to the revised budget.

The Capital Works Statement indicates total capital works expenditure of \$12.6m, which is \$1.2m below the original budget, and \$7.5m below the revised budget. The revised budget includes projects totalling \$8.7m rolled forward for projects.

The Quarterly Finance Report will also be presented to the Audit and Risk Committee at the 10 May 2022 meeting for noting.

**COMMITTEE RESOLUTION**

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That the Audit and Risk Committee note the content in the Quarter 3 Finance Report for the 9 months ended 31 March 2022 as presented to the April Council meeting.

**CARRIED****4.13 2022-23 DRAFT BUDGET UPDATE****EXECUTIVE SUMMARY**

The 2022-23 Draft Budget has been prepared in accordance with the requirements of the *Local Government Act 2020*. The budget seeks to achieve the actions and activities set out in the Council Plan by balancing the demand for services and infrastructure with the community's capacity to pay. At the 26 April 2022 Council meeting, Council endorsed the draft budget to be placed on public exhibition for period of 28 days for community feedback with submissions to be heard at a meeting on 7 June 2022 before the budget is proposed to be adopted at the 28 June 2022 Council meeting.

**COMMITTEE RESOLUTION**

Moved: Mr Phil Delahunty

Seconded: Mr Joe Adamski

That the Audit and Risk Committee note the status of the 2022-23 Draft Budget.

**CARRIED**

**4.14 GOVERNANCE QUARTER 3 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 Clayton Whitfield

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

**CARRIED****4.15 INSTANCES OF FRAUD OR CORRUPTION AND ACTIONS TAKEN****EXECUTIVE SUMMARY**

Fraud and Corruption Awareness training was implemented in August 2021 utilising the new Learning and Development System which was rolled out to Council officers and Councillors.

**COMMITTEE RESOLUTION**

Moved: Mr Joe Adamski  
Seconded: Mr Phil Delahunty

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

**CARRIED**

**4.16 VAGO AUDIT - SEXUAL HARASSMENT IN LOCAL GOVERNMENT****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 on the 24 May 2022.

**COMMITTEE RESOLUTION**

Moved: Mr Andrew Pearce

Seconded: Cr Clayton Whitfield

That the Audit & 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 24 May 2022.

**CARRIED**

**4.17 LOCAL GOVERNMENT ACT 2020 - IMPLEMENTATION UPDATE****EXECUTIVE SUMMARY**

The *Local Government Act 2020* was passed in March 2020 and is now being implemented in four stages, as set by State Government. The first implementation phase took effect on 6 April with several other transitional stages occurring until 1 July 2021.

Implementing the new Act is a complex, lengthy and multi layered project that touches on most areas of the organisation. Implementation is currently underway. To support implementation, an Implementation Schedule (Attachment 1) and detailed Summary of Changes Register (Attachment 2) have been developed and are both provided for the committee's information.

Progress updates are provided to the Full Management Team on a monthly basis. Additional updates will also continue to be provided to the Audit and Risk Committee and Councillors, as necessary.

**COMMITTEE RESOLUTION**

Moved: Mr Joe Adamski

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee receive the *Local Government Act 2020* Implementation Update, noting Council is well advanced to meet the obligations in the next stage of implementation.

**CARRIED**

**4.18 GIFTS, BENEFITS AND HOSPITALITY REGISTER****EXECUTIVE SUMMARY**

To ensure compliance with the Local Government Act, Council has established a record of gifts, benefits and hospitality received by Councillors and Council Officers.

The Gifts, Benefits and Hospitality Register is to be reviewed annually by the Audit and Risk Committee.

**COMMITTEE RESOLUTION**

Moved: Mr Joe Adamski

Seconded: Cr Clayton Whitfield

That the Audit & Risk Committee:

1. Note the gifts, benefits and hospitality received by Councillors and Council Officers over the period 30 April 2021 to 30 April 2022.
2. Note the Register will be updated to include details of the approver, and statistical data to show a breakdown of gifts by division and gifts received over time.

**CARRIED**

**4.19 RENEWAL OF AUDIT & RISK COMMITTEE MEMBERS****EXECUTIVE SUMMARY**

The adopted charter of the Audit and Risk Committee provides for an initial three-year term, with two three-year reappointment terms available dependent on performance, with a maximum total term of nine years. Mr Pearce and Mr Adamski were appointed under the previous Charter which provided for an initial term of four years.

Following the expiry of their initial four-year term as members, Council resolved on 22 March 2022 to reappoint Mr Pearce and Mr Adamski for an additional three-year term. The final remaining reappointment term will be two years, so as not to exceed the maximum of nine years.

**COMMITTEE RESOLUTION**

Moved: Cr Clayton Whitfield

Seconded: Cr Gavin Gamble

That the Audit and Risk Committee note the reappointment of independent members Andrew Pearce and Joe Adamski each for an additional three-year term, expiring 30 September 2024 and 31 October 2024 respectively, as provided for under the Audit and Risk Committee Charter.

**CARRIED**

The Meeting closed at 12.12pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 13 September 2022.

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**CHAIRPERSON**