

MINUTES

Audit and Risk Committee Meeting

9.30am Tuesday 14 November 2023

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

NEXT AUDIT AND RISK COMMITTEE MEETING
9.30am Tuesday 13 February 2024

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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 TUESDAY, 14 NOVEMBER 2023 AT 9.30AM**

PRESENT: Mr Joe Adamski, Mr Andrew Pearce, Mr Phil Delahunty, Cr Brett Cunningham (Mayor), Cr Les Rowe

IN ATTENDANCE: Eric Braslis (CEO), Phil Josipovic (Director Infrastructure and Environment), Lynne Gray (Director Corporate Services), Emma Wheatland (Acting Director Community, Planning and Growth), Ann McGrath (Manager People and Performance), Fiona Rae (Manager Finance), Rosie Wright (Coordinator Governance and Risk), Sophie Brown (Governance and Risk Specialist), Martin Thompson (Crowe), Travis Derricott (VAGO)

1 APOLOGIES AND LEAVE OF ABSENCE

Nil

2 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Mr Andrew Pearce

That the minutes of the Audit and Risk Committee Meeting held on 12 September 2023 be confirmed.

CARRIED

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That the minutes of the Audit and Risk Committee Meeting held on 3 October 2023 be confirmed.

CARRIED

3 DECLARATION OF CONFLICT OF INTEREST

Nil

4 COMMITTEE REPORTS

4.1 AUDIT AND RISK COMMITTEE ACTION ITEMS

EXECUTIVE SUMMARY

This report serves to update the Audit and Risk Committee (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.

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

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Cr Brett Cunningham

That the Audit and Risk Committee note the progress on:

1. the outstanding actions from previous internal and external audits (Attachment 1); and
2. the outstanding actions from previous Audit and Risk Committee meetings (Attachment 2).

CARRIED

ACTION

1. Management to provide an update on the Tree Management contract which expires in December 2023.
2. Management to provide update on tree management actions to the February 2024 Audit and Risk Committee meeting.

4.2 AUDIT PROGRESS REPORT AND PUBLICATIONS OF INTEREST

EXECUTIVE SUMMARY

Crowe are Golden Plains Shire Council appointed internal audit providers. In accordance with the Council's internal audit contract specification, Crowe has provided a progress report on the projects and will provide a progress report on the current internal audit plan.

COMMITTEE RESOLUTION

Moved: Cr Les Rowe

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee note:

1. the progress of the internal audit program;
2. Publications of Interest for July-September 2023 prepared by internal auditors, Crowe;
3. Data Analytics on Rates Management by internal auditors, Crowe; and
4. VAGO Local Government Status Report.

CARRIED

ACTION

Management to review a sample of non-rateable properties annually to ensure they remain non-rateable.

4.3 CYBER SECURITY UPDATE

EXECUTIVE SUMMARY

The 21/22 Internal Audit Plan and 2022 Cyber Security Health Check have outstanding items to be addressed. This report discusses the 3 main items remaining. A test of the Disaster Recovery system was undertaken during October 2023. The test utilised virtualisation technologies to minimise the impact on the organisation. The full report is attached and was considered a success.

The audit report recommended a live fire exercise to simulate a privacy breach. This report highlights a current real breach and describes the actions taken as opposed to a simulation.

Password management was another item of the audit, and the report highlights the initiatives taken to strengthen the standards and provide secure self-service password management.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee note the findings of the Cyber Security Update report.

CARRIED

4.4 QUARTER 1 FINANCE REPORT

EXECUTIVE SUMMARY

The Quarter 1 Finance Report outlines the financial results for the three months ended 30 September 2023, together with a comparison to the revised budget adopted by Council (inclusive of carry forwards from 2022-23 and additional funding received to complete projects).

This report includes a summary of Council's financial performance and position for the 2023-24 year up to 30 September 2023, and an update on capital projects as at 30 September 2023. A high-level full year forecast is also included in the financial statements.

The Quarter 1 report will be presented to Council at their 21 November 2023 meeting.

COMMITTEE RESOLUTION

Moved: Cr Brett Cunningham

Seconded: Cr Les Rowe

That the Audit and Risk Committee note the Quarter 1 Finance Report for the 3 months ended 30 September 2023.

CARRIED

4.5 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 the LGPRF measures is reported to management, the Audit & Risk Committee and Council on a six-monthly basis. Additionally, the Performance Statement (which is a sub-set of these indicators) are included in the Golden Plains Shire Council Annual Report. The full report on the LGPRF measures was presented to Council at its 24 October 2023 Council meeting.

The end of year report for the period 1 July 2022 to 30 June 2023 is provided for the Audit and Risk Committee's information (Attachment 1).

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Cr Brett Cunningham

That the Audit and Risk Committee receive the end of year report on the Local Government Performance Reporting Indicators for the period 1 July 2022 to 30 June 2023, as attached.

CARRIED

ACTION

Management to review indicators AM2 and FS4 2022-23 figures and provide further information to Committee on calculations.

At 10.24am Phil Delahunty left the meeting and was absent for the vote on this item.

4.6 EMPLOYEE CODE OF CONDUCT

EXECUTIVE SUMMARY

This report is presented to the Audit and Risk Committee to review and endorse the updated version of the Employee Code of Conduct. Please be advised that this Code will go to Senior Management Team (SMT) for approval.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Cr Brett Cunningham

That Audit and Risk Committee note and endorse the Employee Code of Conduct (Attachment 1).

CARRIED

At 10.28am Phil Delahunty returned to the meeting.

4.7 SAFETY AND WELLBEING ANNUAL REPORT

EXECUTIVE SUMMARY

This report discusses Safety and Wellbeing performance for the financial year of 2022-2023. The full report is available as Attachment 1.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Cr Les Rowe

That the Audit and Risk Committee receive and note the Safety and Wellbeing Annual Report for the 2022-23 financial year.

CARRIED

At 10.29am Cr Cunningham left the meeting and was absent for the vote on items 4.8 and 4.9.

4.8 SCHEDULE OF MEETINGS FOR 2024

EXECUTIVE SUMMARY

As this is the final meeting for 2023, a proposed schedule of meeting for 2024 is presented to the Committee for consideration.

COMMITTEE RESOLUTION

Moved: Cr Les Rowe

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee adopt the proposed meeting schedule for their 2024 Committee meetings.

CARRIED

4.9 RE-AFFIRM COMMITTEE CHAIRPERSON

EXECUTIVE SUMMARY

In accordance with clause 8 of the Audit and Risk Committee Charter, the Chair of the Committee is to be re-affirmed on an annual basis and the appointed Chair is capped to a three-year term.

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee re-affirm Joe Adamski as Chair of the Committee for a second year.

CARRIED

At 10.35am Cr Cunningham returned to the meeting.

4.10 INSTANCES OF FRAUD AND 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: Cr Les Rowe

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee note that no instances of fraud have been detected in the first quarter of 2023-24.

CARRIED

ACTION

Management to report to a future Committee meeting on fraud and corruption actions, specifically alignment of internal audit and the work completed on the fraud risk register prepared by Pitcher Partners.

4.11 QUARTER 1 RISK MANAGEMENT AND INSURANCE REPORT

RECOMMENDATION

That the Audit and Risk Committee receive and note the Quarter 1 Risk Management and Insurance Report for 2023-24.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee receive and note the Quarter 1 Risk Management and Insurance Report for 2023-24.

CARRIED

4.12 QUARTER 1 GOVERNANCE REPORT

RECOMMENDATION

That the Audit and Risk Committee receive the Quarter 1 Governance Report, noting the actions that continue to be taken to improve governance practices.

COMMITTEE RESOLUTION

Moved: Cr Les Rowe

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee receive the Quarter One Governance Report, noting the actions that continue to be taken to improve governance practices.

CARRIED

4.13 QUARTER 1 SAFETY AND WELLBEING REPORT

EXECUTIVE SUMMARY

This report is presented to the Audit and Risk Committee to provide an update on safety and wellbeing information and performance for the period of 1st July to 30th September 2023

COMMITTEE RESOLUTION

Moved: Cr Brett Cunningham

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee receive and note the Quarter 1 Safety and Wellbeing report (Attachment 1) for 2023-24.

CARRIED

5 CONFIDENTIAL ITEMS

The Audit and Risk Committee considered the following confidential report:

5.1 Tender for Internal Auditor

The Meeting closed at 10.50am.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 13 February 2024.

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CHAIRPERSON