



ATTACHMENTS

**Under Separate Cover
Council Meeting**

6.00pm Tuesday 22 February 2022

Table of Contents

7.10	Audit & Risk Committee Report - 8 February 2022	
	Attachment 1 8 February Audit & Risk Committee Unconfirmed Minutes	4



MINUTES

Audit and Risk Committee Meeting

9.00am Tuesday 8 February 2022

VENUE:
Held Virtually

NEXT AUDIT AND RISK COMMITTEE MEETING
9.00am Tuesday 10 May 2022

Copies of Golden Plains Shire Council's Agendas & Minutes
Can be obtained online at www.goldenplains.vic.gov.au

Audit and Risk Committee Meeting Minutes

8 February 2022

Order Of Business

1	Apologies and Leave of Absence	3
2	Confirmation of Minutes.....	3
3	Declaration of Conflict of Interest.....	3
4	Committee Reports.....	3
4.1	Audit Committee Action Items	3
4.2	Outstanding Internal and External Audit Actions.....	4
4.3	Council First - Progress Update	4
4.4	Audit and Risk Committee Charter Review.....	5
4.5	2021-2022 Audit Strategy.....	5
4.6	Review Internal Audit Charter.....	6
4.7	Internal Audit Plan 2021-2022	6
4.8	Review of Risk Appetite Statements.....	7
4.9	Risk Owner Presentation.....	7
4.10	Risk Management and Insurance Quarter 2 Report	7
4.11	OHS Quarter 2 Report.....	8
4.12	Finance Quarter 2 Update.....	9
4.13	Governance Quarter 2 Report.....	9
4.14	Instances of Fraud or Corruption and Actions Taken.....	10
4.15	VAGO Audit - Sexual Harassment in Local Government.....	10
4.16	Local Government Act 2020 - Implementation Update	11
4.17	Status Update on Payroll Matters	11
4.18	Employee Code of Conduct.....	12
5	Confidential Items.....	12

**MINUTES OF GOLDEN PLAINS SHIRE COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD VIRTUALLY**

ON TUESDAY, 8 FEBRUARY 2022 AT 9.00AM

PRESENT: Mr Joe Adamski, Mr Andrew Pearce, 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), Ingrid Bishop (Acting Director Corporate Services), Fiona Rae (Manager Finance), Rosie Wright (Acting Coordinator Governance & Risk), Sophie Brown (Acting Governance & Legal Services Officer)

1 APOLOGIES AND LEAVE OF ABSENCE

Phil Josipovic (Director Infrastructure & Development), Gabrielle Castree (Crowe)

2 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski
Seconded: Mr Andrew Pearce

That the minutes of the Audit and Risk Committee Meeting held on 9 November 2021 be confirmed.

CARRIED

3 DECLARATION OF CONFLICT OF INTEREST

Committee members must disclose a conflict of interest in accordance with Section 130-131 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 Phil Delahunty
Seconded: Mr Andrew Pearce

That the Audit & Risk Committee note the progress on actions from the previous meetings as of 8 February 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 Andrew Pearce
Seconded: Mr Joe Adamski

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.

The licencing issues identified in the last report have been resolved and locked in, with budget implications managed through phasing installations.

The process mapping has been completed for all MVP business processes.

The records management workshops have been completed and work on the information architecture and metadata is underway.

A full project plan has been developed and was adopted by the PCG on 1st February with an MVP go live of July 1, 2022.

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 AUDIT AND RISK COMMITTEE CHARTER REVIEW

EXECUTIVE SUMMARY

Section 12 of the Audit and Risk Committee Charter states that *'This Charter will be reviewed by the Committee on an annual basis, and the Committee will provide a report to the Council recommending that the Council approve the Charter.'*

The Charter was last reviewed by the Audit and Risk Committee at its meeting on 9 February 2021.

Due to the charter being extensively reviewed as part of the Local Government Act 2020 implementation in July 2020, no further changes are recommended with this review.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Cr Clayton Whitfield

That the Audit and Risk Committee:

1. Review the Audit and Risk Committee Charter and associated annual work plan in accordance with Section 12, Charter review.
2. Subject to any changes proposed, the Committee recommend that Council approve the Charter at the February 2022 Council meeting.

CARRIED

4.5 2021-2022 AUDIT STRATEGY

EXECUTIVE SUMMARY

To review the Victorian Auditor General's Office (VAGO) 2020-21 draft audit strategy prepared by VAGO.

The strategy sets out VAGO's approach to the external audit of the financial report and performance statement of Golden Plains Shire Council for the year ending 30 June 2022.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee:

1. Note the audit status report as provided by the Victorian Auditor-General's Office,
2. Note and receive the terms of the Golden Plains Shire Council draft external audit strategy for the year ending 30 June 2022, and
3. Approve the External Audit Strategy in accordance with its delegated authority as outlined in the Audit and Risk Committee Charter.

CARRIED

4.6 REVIEW INTERNAL AUDIT CHARTER

EXECUTIVE SUMMARY

With the implementation of the new Local Government Act 2020, the Audit and Risk Committee charter was revised and adopted by Council at the 28 July 2020 Council meeting to include the specific sections of the Act. The revised Charter included aligning the annual plan of activities presented to the Audit and Risk Committee which now includes an annual review of the Internal Audit Charter.

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski
Seconded: Cr Clayton Whitfield

That the Audit and Risk Committee:

1. Receive and note the internal audit charter as part of the annual review requirements of the Audit and Risk Committee Charter
2. Note within the Scope of the Internal Audit Charter, that section 2.1 separates the 3rd dot point into two points as follows:
 - *The extent to which the assets and interests are acquired economically, adequately accounted for and safeguarded from losses and fraud,*
 - *Adequate business continuity plans exist.*

CARRIED

4.7 INTERNAL AUDIT PLAN 2021-2022

EXECUTIVE SUMMARY

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty
Seconded: Mr Joe Adamski

That the Audit and Risk Committee:

1. Note the findings from the data analytics audit review
2. Note the verbal update from internal audit on the Cyber Security Audit.
3. Note the update to the Strategic Internal Audit Plan (as attached)
4. Note the Memorandum of Audit Planning (MAP's) for the upcoming HR processes and complaints handling internal audit reviews.

CARRIED

4.8 REVIEW OF RISK APPETITE STATEMENTS

EXECUTIVE SUMMARY

As part of the implementation of the Local Government Act 2020, the Audit and Risk Committee charter was revised and adopted by Council at the 28 July 2020 Council meeting. The revised Charter included aligning the annual plan of activities presented to the Audit and Risk Committee which requires that the Council's risk appetite statements are reviewed by the Committee at each February meeting. It is recommended that the Risk Appetite Statements are noted by the Committee with no changes proposed.

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski

Seconded: Cr Clayton Whitfield

That the Audit & Risk Committee receive and note the Risk Appetite Statements as part of the annual review requirements of the Audit and Risk Committee charter.

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 Strategic Risk No.7 – Climate Change (Adaptation).

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Cr Clayton Whitfield

That the Audit and Risk Committee note the presentation on the Strategic Risk – Climate Change (Adaptation) presented by our Coordinator Environment and Sustainability, David Collins.

CARRIED

4.10 RISK MANAGEMENT AND INSURANCE QUARTER 2 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: Cr Clayton Whitfield

Seconded: Cr Gavin Gamble

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

CARRIED

4.11 OHS QUARTER 2 REPORT

EXECUTIVE SUMMARY

This report discusses OHS information and performance for the period of 1 October to 31 December 2021. The full report is available as Attachment 1.

Highlights for the quarter included:

- The conducting of audits at the Shelford, Rokewood, and Linton work depots
- Conducting of desktop asbestos management audit
- Providing and updating COVID advice as changes occurred, including:
- Mandatory Vaccinations for all Local Government workers
- Reduction of restrictions within the workplace

In Quarter 2, there were a total of 34 reports recorded in the Elumina management system which is a slight increase on the previous quarter of 26: 13 hazards, 13 near misses and 8 incidents – details can be found in Attachment 2

During the second quarter, there were 2 new Workcover claims submitted and accepted by our insurer, EML. Both claims were related to manual handling injuries. While there were 2 new claims, one of the workers has returned to full pre-injury duties leaving 3 active Return to Work (RTW) cases being managed by the team.

Covid restrictions eased within the workplace at the tail end of the quarter, significant work has continued to ensure any government requirements are met, due to the constant evolution of the management of the risks, these include:

- Ensuring compliance with the Chief Health Officers Covid-19 mandatory vaccination (Workers) order for all Local Government employees including:
 - Ensuring timeframes of vaccinations for different workgroups were recorded
 - Communicating with all employees to inform of the need to be vaccinated and provide evidence.
 - Collecting and collating employee vaccination information.
- Putting in place processes to comply with the Covid-19 Open Premises mandate, this included:
 - Checking of vaccination status of consumers where required
 - Density limits

There were no interactions with WorkSafe during the second quarter.

To enhance the level of workplace safety reporting, management will provide further analysis on data, trends and remedial action in response to workplace safety performance. This will commence in Q3 reporting.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

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

CARRIED

4.12 FINANCE QUARTER 2 UPDATE**EXECUTIVE SUMMARY**

As at 31 December 2021, the Income Statement reports total operating revenue of \$36.4m and total operating expenditure of \$20.8m, which results in a year-to-date surplus of \$15.6m. This is \$0.8m favourable compared to the original budget, and \$3.3m favourable to the revised budget.

The Capital Works Statement indicates total capital works expenditure (including commitments) of \$11.5m, which is \$2.8m above the original budget, and \$2.5m below the revised budget. The revised budget includes \$8.7m carried forward from 2020-21 due to new income/funded projects throughout the year.

The Quarter 2 Finance Report will be presented to Council at the 15 February 2022 meeting for noting.

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty
Seconded: Mr Andrew Pearce

That the Audit and Risk Committee note the content in the Quarter 2 Finance Report for the 6 months ended 31 December 2021.

CARRIED**4.13 GOVERNANCE QUARTER 2 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: Mr Joe Adamski

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

CARRIED

4.14 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: Cr Clayton Whitfield

Seconded: Cr Gavin Gamble

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

CARRIED

4.15 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 provided at the 22 February 2022 Council meeting.

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 at the next meeting on 22 February 2022 and amended to reflect 11 recommended actions are now complete, as opposed to 4.

CARRIED

4.16 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 Andrew Pearce

Seconded: Mr Joe Adamski

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**4.17 STATUS UPDATE ON PAYROLL MATTERS****EXECUTIVE SUMMARY**

Council is committed to meeting our current and ongoing obligations relating to employment entitlements. We proactively commenced a Payroll Audit Review in January 2021 in order to identify and resolve any wage or entitlement which were being overpaid or underpaid.

Since the last update to the Audit and Risk Committee in November 2021 where the ATO had contacted Council again requesting Council to lodge SGC statements in relation to annual leave loading from 2016 – 2018 for all employees, and from 2008 in relation to one employee. I am pleased to advise that the ATO closed this issue without any further action based on Council's response being that that as Council has self-assessed that annual leave loading was not ordinary time earnings prior to the clarification provided in April 2019, because it was paid to compensate for a loss of opportunity to work overtime and there is no evidence that suggests annual leave loading was for something other than overtime.

The table below outlines the current issues being resolved and Council continue to prioritise critical issues as they are identified, with the majority of issues now being resolved.

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Cr Clayton Whitfield

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

CARRIED

4.18 EMPLOYEE CODE OF CONDUCT

EXECUTIVE SUMMARY

The Audit & Risk Committee Charter and associated workplan requires that the Audit & Risk Committee review the processes for communicating Council's Employee Code of Conduct to employees and contractors and for monitoring compliance.

The Employee Code of Conduct document is included in the New Starter pack and must be signed by all staff including new employees, contractors (directly engaged) and volunteers prior to commencing employment with Council.

There has been 100% compliance with all new starters signing the Code of Conduct document and the signed document is saved within their personnel file.

The Code of Conduct has been reviewed and updated to include our newly developed Vision and Values and also the requirements under Section 49 of the Local Government Act 2020.

As required by the applicable legislation, the Code of Conduct must be able to be accessed by all staff. At Golden Plains Shire Council, the Code of Conduct can be accessed by staff via the Intranet with hard copies available from a member of the Organisational Capability and Performance team.

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski

Seconded: Mr Andrew Pearce

That the Audit & Risk Committee note the report which outlines the processes for communicating the Employee Code of Conduct and for monitoring compliance.

CARRIED

5 CONFIDENTIAL ITEMS

5.1 AGED CARE REFORM UPDATE

EXECUTIVE SUMMARY

Significant changes to the aged care sector influenced by findings of the Aged Care Royal Commission will be brought into effect from 1 July 2022. Proposed changes to the payment structure will exacerbate pre-existing issues in service provision. Emerging issues including the impacts of COVID 19, an ageing workforce and universal challenges in recruitment and retention of staff, particularly those with technical knowledge, further impact Golden Plains Shire's current and future program delivery.

Council has received several reports informing of impacts of proposed changes and options for consideration and is now undertaking a Best Value Review which will explore future service delivery modelling and make recommendations about future service provision.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That the Audit & Risk Committee notes that:

1. On 23 November 2021, Council agreed to consider a Best Value Review of aged care service delivery.
2. As part of the Best Value Review preparation and in alignment with the Golden Plains Shire

Audit and Risk Committee Meeting Minutes8 February 2022

Enterprise Agreement, a consultation process has been undertaken with community, staff (including potentially impacted staff) and consumers.

3. The Best Value Review will be presented to Council on 22 March 2022 with a recommendation for Council to make a formal decision regarding future delivery of aged care home support and community-based services.

CARRIED

The Meeting closed at 11.59am.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 10 May 2022.

.....
CHAIRPERSON

UNCONFIRMED