



GOLDEN PLAINS SHIRE

# **ATTACHMENTS**

**Under Separate Cover  
Council Meeting**

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**6.00pm Tuesday 15 December 2020**



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# MINUTES

## Audit and Risk Committee Meeting

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**9.30 Wednesday 2 December 2020**

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

NEXT AUDIT AND RISK COMMITTEE MEETING  
9.00am Tuesday 9 February 2021

Copies of Golden Plains Shire Council's Agendas & Minutes  
Can be obtained online at [www.goldenplains.vic.gov.au](http://www.goldenplains.vic.gov.au)

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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 WEDNESDAY, 2 DECEMBER 2020 AT 9.30**

**PRESENT:** Mr Joe Adamski, Mr Andrew Pearce, Mr Phil Delahunty, Cr Brett Cunningham, Cr Helena Kirby (Mayor)

**IN ATTENDANCE:** Eric Braslis (CEO), Philippa O'Sullivan (Director Corporate Services), Phil Josipovic (Director Infrastructure and Development), Lisa Letic (Director Community Services), Fiona Rae (Manager Finance), Claire Tehan (Manager People & Culture), Rebecca Failla (Manager Digital Transformation), Annmaree Bowey (Coordinator Governance and Risk), Candice Robinson (Coordinator Governance and Risk), Andrew Leary (Coordinator OHS), Jacquilyn Douglas (Governance and Legal Services Officer), Emily Chapman (Governance and Corporate Services Administration Officer), Martin Thompson (Crowe), Thivya Mahendran (Crowe).

**1 APOLOGIES AND LEAVE OF ABSENCE**

Nil

**2 CONFIRMATION OF MINUTES**

**COMMITTEE RESOLUTION**

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That the minutes of the Audit and Risk Committee Meeting held on 8 September 2020 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 Joe Adamski

That the Audit & Risk Committee note the progress on actions from previous meeting held on 08 September 2020.

**CARRIED**

At 9.42 am, Mr Phil Delahunty entered to the meeting.

### 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: Mr Andrew Pearce

That the Audit and Risk Committee notes the updates and closed actions on the Outstanding Internal and External Audit Actions report requesting that in action 3.6 the word appropriate is changed to the word responsible.

**CARRIED**

#### 4.3 PUBLICATIONS OF INTEREST

##### EXECUTIVE SUMMARY

The Reports and Publications of interest provides a summary of key industry reports that have been released over the last three months which identifies outcomes from audits or reviews which may impact on Golden Plains Shire.

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

##### COMMITTEE RESOLUTION

Moved: Mr Joe Adamski  
Seconded: Mr Andrew Pearce

That the Audit and Risk Committee note the Publications of Interest (July 2020 to September 2020) as prepared by Internal Auditors, Crowe

**CARRIED**

UNCONFIRMED



#### 4.4 GPCC PROJECT UPDATE

##### EXECUTIVE SUMMARY

This Report is the seventh progress update covering the period between 31 August 2020 and 30 October 2020 in relation to the construction of the Golden Plains Community & Civic Centre Project ('the GPCC Project').

The GPCC project, which commenced in March 2019, has shown significant progress and positive achievements since the last update to the Audit and Risk Committee and Council. The progress of this project is monitored by the Project Steering Group ('PSG') under the chairmanship and leadership of the Chief Executive Officer to ensure compliance with the relevant legislative and policy requirements, adherence to Council's decisions, and to ensure the Project achieves the agreed outcomes in the best interest of the community.

This Report provides updates on the following key areas of the Project:

- Project status which outlines what work has been completed and what work is planned next;
- Progress against the agreed timeframe;
- Project budget which provides actual expenditure against the approved budget;
- Management of existing and emerging risks; and
- Governance and compliance aspects of the Projects.

Since the last update report, David Greaves, Project Manager for the GPCC Project has resigned and left the organisation. The role of Project Manager has been undertaken by Phil Josipovic, Director Infrastructure and Development until the completion of the project.

##### COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Mr Joe Adamski

That the Audit & Risk Committee:

1. Receive and note the progress update on the Golden Plains Civic Centre (GPCC) for the period of 31 August 2020 to 30 October 2020.
2. Recommend the report be presented to the December Council briefing for noting.

**CARRIED**

#### 4.5 FINANCE QUARTER ONE UPDATE

##### EXECUTIVE SUMMARY

As at 30 September 2020, the Income Statement reports total operating revenue of \$31.3m and total operating expenditure of \$9.5m, which results in a year to date surplus of \$21.8. This is \$3.5m favourable compared to the original budget, and \$2.5m favourable to the revised budget.

The Capital Works Statement indicates total capital works expenditure of \$4.4m, which is \$2.9m above the original budget, and \$1.8m above the revised budget.

The Finance Quarterly Report was presented to Council at the 24 November 2020 meeting for noting.

##### COMMITTEE RESOLUTION

Moved: Mr Joe Adamski  
Seconded: Mr Andrew Pearce

That the Audit and Risk Committee note the content in the Quarterly Finance Report for the 3 months ended 30 September 2020.

**CARRIED**

At 9:52 am, Cr Helena Kirby entered to the meeting.

#### 4.6 QUARTERLY OHS UPDATE REPORT: Q1 2020/2021

##### EXECUTIVE SUMMARY

The Quarterly OHS Update Report provides an overview of Safety Performance at Golden Plains Shire Council. This report provides a summary of performance within areas such as: Improvement projects, Issue Reporting (Hazard, Near Miss, Incident), Return to Work Management, Business Continuity Management, GPCC Emergency Management and staff Health and Wellbeing.

##### COMMITTEE RESOLUTION

Moved: Cr Brett Cunningham  
Seconded: Mr Joe Adamski

That the Audit and Risk Committee receive and note the Occupational Health and Safety (OHS) report for the period Q1 2020-2021.

**CARRIED**

#### 4.7 BUSINESS IMPACT ASSESSMENT - COVID 19

##### EXECUTIVE SUMMARY

The report provides an overview of the impact of COVID-19 on critical services within Golden Plains Shire Council. To produce this report, a total of 22 Business Continuity (BC) Impact Assessments were undertaken by teams across GPSC. These teams had developed BC sub-plans earlier in the year for GPSC critical services.

##### COMMITTEE RESOLUTION

Moved: Cr Brett Cunningham

Seconded: Mr Joe Adamski

That the Audit and Risk Committee receive and note the Business Impact Assessment – COVID 19 Report.

**CARRIED**

#### 4.8 MAV WORKCARE FY 2016 - 2020 SUMMARY (WORKERS COMPENSATION)

##### EXECUTIVE SUMMARY

MAV WorkCare Scheme provides self-insurance for WorkCover for Golden Plains Shire Council (GPSC). We joined the scheme in 2018 when it commenced, and the attached report provides a summary of Council's WorkCover performance against other members of the Scheme.

This report is provided to GPSC annually and key themes around injury statistics are used within our annual plan to choose focus areas, safety objectives, discuss at the OHS Committee meeting as well as consider within Return To Work (RTW) plans.

Common injury types and bodily locations were consistent between MAV Scheme Members and GPSC. Soft-tissue injuries to the upper limbs and back are most common within our known physically demanding work areas, impacting roles such as Outdoor Workers and Community Services.

Financial information provided is of interest to GPSC, this shows an annual member premium increase of 6% versus a Victorian Workers Compensation Premium increase of 2.08%. Data was not available to show what the increase of GPSC's premium was independently of the Scheme for comparison, as the 6% increase was averaged across MAV WorkCare Scheme members.

The scheme made recommendations for members to take action in the areas of Manual Handling and Mental Health and Wellbeing in preparation for the upcoming 2020/2021 Financial Year. Data regarding injuries which did not result in a Workers Compensation Claim such as Occupational Violence, bullying and inequality was not included as these types of injuries are often not compensable unless severe.

##### COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee receive and note the MAV WorkCare FY 2016 – 2020 Summary (Workers Compensation) performance report.

**CARRIED**

#### 4.9 MAV WORKCARE SCHEME LICENCE UPDATE

##### EXECUTIVE SUMMARY

Golden Plains Shire Council is a member of the MAV WorkCare Scheme (**Scheme**) for self-insurance. This scheme was established in 2017 and there 30 Victorian Councils are current members.

MAV lodged its application for Scheme licence renewal in March this year, and received a letter in September from WorkSafe Victoria (**WorkSafe**) advising of its intention to refuse MAV's application for licence renewal. In response, MAV provided a submission to WorkSafe objecting to the decision. WorkSafe reviewed the submission and has now informed the MAV of its final decision to refuse the MAV's application for self-insurance renewal.

In response MAV applied for judicial review of WorkSafe's decision in October. The MAV has retained Queen's Counsel and Junior Counsel for this purpose. MAV believe they have strong grounds to support the application and, if successful, the court will quash WorkSafe's decision.

MAV have advised that at this early stage it is not possible to accurately predict when a hearing date for the judicial review will be listed, but Council will keep the Audit and Risk Committee informed of the hearing outcome

##### COMMITTEE RESOLUTION

Moved: Mr Joe Adamski  
Seconded: Mr Phil Delahunty

That the Audit and Risk Committee note this briefing update on the decision by WorkSafe Victoria (WorkSafe) to refuse the Municipal Association of Victoria's (MAV) application for self-insurance renewal WorkCare Scheme.

**CARRIED**

#### 4.10 RISK MANAGEMENT AND INSURANCE QUARTER ONE 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 quarter, upcoming audits and other items of interest for the Committee.

##### COMMITTEE RESOLUTION

Moved: Mr Joe Adamski  
Seconded: Mr Andrew Pearce

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

**CARRIED**

#### **4.11 CORONAVIRUS (COVID-19) RISK UPDATE**

##### **EXECUTIVE SUMMARY**

A Coronavirus (COVID-19) Risk Update was provided to the committee at its May 2020 meeting. At its September 2020 meeting the committee requested a further update be provided at the next meeting.

The COVID-19 virus in pandemic proportions, presents unprecedented challenges to Council, most notably with respect to workforce and employee work health and safety management, business interruption and continuity (especially with respect to ongoing delivery of critical services and functions and cash flow).

Management are continually working to ensure the implementation of appropriate strategies and to ensure the employees and community are supported on this journey.

A number of strategies are currently in place including, but not limited to, establishment of a COVID-19 working group, response activities plan, activation of the Pandemic / Business Continuity Plan, identification and monitoring of key risks and regular internal and external communication.

##### **COMMITTEE RESOLUTION**

Moved: Mr Phil Delahunty  
Seconded: Mr Andrew Pearce

That the Audit and Risk Committee note the Coronavirus (COVID-19) Risk Update.

**CARRIED**

#### **4.12 RISK OWNER PRESENTATION - FINANCIAL SUSTAINABILITY**

##### **EXECUTIVE SUMMARY**

At each Audit and Risk Committee meeting, a risk owner will present a key corporate risk to the committee.

##### **COMMITTEE RESOLUTION**

Moved: Mr Phil Delahunty  
Seconded: Mr Joe Adamski

That the Audit and Risk Committee note the presentation on the key corporate risk – Financial Sustainability.

**CARRIED**

**4.13 MAV LIABILITY MUTUAL INSURANCE SCHEME STRUCTURAL REFORM UPDATE****EXECUTIVE SUMMARY**

To provide an update on the Municipal Association of Victoria (MAV) Liability Mutual Insurance (LMI) scheme. The MAV LMI provides public liability, products liability and professional indemnity insurance to local government member councils. MAV is as a member-owned, not-for-profit mutual. Currently, councils have the option to opt in or opt out of the scheme. The Golden Plains Shire Council has historically, always been a member council of the LMI scheme.

The MAV are currently conducting a reform to ensure the LMI scheme remains sustainable, and so member councils continue to have access to high-quality public liability and professional indemnity insurance.

**COMMITTEE RESOLUTION**

Moved: Mr Andrew Pearce

Seconded: Mr Phil Delahunty

That the Audit and Risk Committee receive and note the Municipal Association of Victoria (MAV) Liability Mutual Insurance (LMI) Scheme Structural Reform Update.

**CARRIED****4.14 INTERNAL AUDIT – BUSINESS CONTINUITY****EXECUTIVE SUMMARY**

As part of the internal audit schedule for 2020/2021, a Business Continuity Management System (BCMS) internal audit was undertaken within August. This objective of the audit was to review the adequacy of the Business Continuity (BC) framework with focus on key areas which would inform system structure, implementation and maturity.

**COMMITTEE RESOLUTION**

Moved: Mr Joe Adamski

Seconded: Mr Andrew Pearce

That Audit & Risk Committee receive and note the Business Continuity - Internal Audit Summary Report.

**CARRIED**

**4.15 INTERNAL AUDIT - CUSTOMER COMPLAINTS HANDLING****EXECUTIVE SUMMARY**

The internal audit on customer Complaints Handling was scheduled to commence in October 2020. A verbal update will be provided by Crowe to the Audit and Risk Committee on the current status of this audit.

**COMMITTEE RESOLUTION**

Moved: Mr Joe Adamski  
Seconded: Mr Andrew Pearce

That the Audit and Risk Committee receive a verbal update from Crowe on the Internal Audit – Customer Complaints Handling.

**CARRIED**

At 10.52 am, Cr Helena Kirby left the meeting.

**4.16 2019-20 FINANCIAL STATEMENTS AND PERFORMANCE STATEMENT****EXECUTIVE SUMMARY**

The purpose of this report is to provide the Audit and Risk Committee with an update on the Annual Financial Audit process following the approval 'In Principle' of the 2019-20 Financial Statements and Performance Statement at the 8 September 2020 Audit and Risk Committee meeting.

VAGO have now completed the review of the 2019-20 Financial Statements and Performance Statement with no material changes to the accounts that were presented at the September meeting.

The timing of when the signed Report and Audit Certificate was required to be with the Minister was extended this year due to impacts from COVID-19 causing delays in the audit process, with the timeline extended from 30 September to 30 November 2020.

**COMMITTEE RESOLUTION**

Moved: Mr Joe Adamski  
Seconded: Mr Phil Delahunty

That the Audit and Risk Committee:

1. Note the delay experienced with the external audit process and impact on timing of certification of the 2019-20 Financial Statements and Performance Statement.
2. Note the contents of the Victorian Auditor-General's Office (VAGO) Final Management Letter and Closing Report.

**CARRIED**

#### 4.17 LANDFILL REHABILITATION PROVISION

##### EXECUTIVE SUMMARY

Council has created a provision to set aside funds to rehabilitate the Rokewood and Teesdale landfill sites to comply with the Environment Protection Authority (EPA) requirements.

The VAGO final management letter resulting from the audit of the 2019-20 Financial Statements identified an action for the landfill provision, to assess the costs for restoration of the landfill sites and incorporate into the budget and strategic resource plan (long term financial plan).

Timing of the rehabilitation works and revised costs will be reflected in the landfill provision balance, with the budget and strategic resource plan updated to incorporate the rehabilitation costs into the year the works will take place.

##### COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Mr Joe Adamski

That the Audit and Risk Committee:

1. Note the purpose of the Rokewood and Teesdale landfill rehabilitation plan, timing and the current provision, and
2. Note the VAGO audit recommendation for the restoration costs to be assessed and incorporated into the 2021-22 budget and strategic resource plan (long term financial plan).
3. Note that the amount of the landfill rehabilitation reserve is to be corrected from \$490k to \$776k.

**CARRIED**

#### 4.18 DHHS CONCESSION AUDIT

##### EXECUTIVE SUMMARY

PwC advised Golden Plains Shire Council that they were conducting audits on a number of Councils to confirm compliance with DHHS pension concession requirements.

Findings of the audit are detailed in the PwC report.

##### COMMITTEE RESOLUTION

Moved: Cr Brett Cunningham

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee:

1. Note the audit completed by Pricewaterhouse Coopers (PwC) on Council's compliance with the Department of Health and Human Services (DHHS) pension concession requirements.
2. Note the findings in the PwC report.

**CARRIED**



#### 4.19 GOVERNANCE QUARTER ONE 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 Phil Delahunty

That the Audit and Risk Committee receive and note the Governance Quarter One Report.  
**CARRIED**

#### 4.20 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 this year and up 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 and note the new *Local Government Act 2020* Implementation Update.  
**CARRIED**

**4.21 LOCAL GOVERNMENT PERFORMANCE REPORTING INDICATORS - FINAL REPORT 19/20****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 final progress report for the period 01 July 2019 to 30 June 2020 is provided for the Audit & Risk Committee member's information (Attachment 1).

**COMMITTEE RESOLUTION**

Moved: Mr Phil Delahunty

Seconded: Mr Joe Adamski

That the Audit and Risk Committee:

1. Receive the report on the Local Government Performance Reporting Indicators (Attachment 1) for the period 01 July 2019 to 30 June 2020.
2. Note the Know Your Council Performance Summary Report 19/20 (Attachment 2).

**CARRIED**

**5 OTHER BUSINESS**

The Chair wished everyone all the best for a merry and Covid-safe Christmas and New Year.

Philippa O'Sullivan (Director Corporate Services) acknowledged the support of the Committee throughout the 2020 year.

**6 DATE OF NEXT MEETING**

The Audit and Risk Committee meets every 3 months. The next meeting will be held on 9 February 2020.

**7 CLOSE OF MEETING**

The Meeting closed at 11.17am.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 9 February 2021.

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**CHAIRPERSON**