



ATTACHMENTS

**Under Separate Cover
Council Meeting**

6.00pm Tuesday 23 November 2021

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MINUTES

Audit and Risk Committee Meeting

9.30am Tuesday 9 November 2021

VENUE:
Virtual Meeting

NEXT AUDIT AND RISK COMMITTEE MEETING: FEBRUARY 2022

Audit and Risk Committee Meeting Minutes

9 November 2021

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**MINUTES OF GOLDEN PLAINS SHIRE COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD VIRTUALLY ON TUESDAY, 9 NOVEMBER 2021 AT 9.30AM**

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

IN ATTENDANCE: Eric Braslis (CEO), Philippa O'Sullivan (Director Corporate Services), Steven Sagona (Acting Director Corporate Services), Suzannah Burton (Manager Community Wellbeing), Ben Jordan (Manager Recreation & Community Development), Fiona Rae (Manager Finance), Andrew Downie (Manager ICT & Digital Transformation), Claire Tehan (Manager People & Culture), Will Neville (Coordinator OHS), Rosie Wright (Acting Coordinator Governance and Risk), Sophie Brown (Acting Governance & Legal Services Officer)

1 APOLOGIES AND LEAVE OF ABSENCE

Phil Josipovic (Director Infrastructure & Development)

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 14 September 2021 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*.

4 COUNCIL 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: Cr Brett Cunningham

That the Audit & Risk Committee note the progress on actions from the previous meetings at as 14 September 2021.

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: Mr Andrew Pearce

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

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 during July 2021 to September 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 and includes Management comments.

COMMITTEE RESOLUTION

Moved: Cr Helena Kirby
Seconded: Mr Joe Adamski

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

CARRIED

4.4 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 inability to recruit and retain staff, particularly those with technical knowledge, further impact Golden Plains Shire's current and future program delivery.

COMMITTEE RESOLUTION

Moved: Cr Brett Cunningham

Seconded: Mr Joe Adamski

That the Audit & Risk Committee:

1. Note sector wide changes to Aged Care and the impacts for Golden Plains Shire.
2. Note operational risks to service delivery.
3. Note that in the November Council Meeting, a report will be presented which recommends the consideration or exploration of Council's future in the delivery of home support and community-based services.

CARRIED

4.5 COUNCIL FIRST - PROGRESS UPDATE

EXECUTIVE SUMMARY

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

Due to perceived licence anomalies and a lack of documented business process mapping the Project Steering Group (PSG) approved a recommendation to pause the implementation of all modules except Records Management and Finance pre-scoping work for 3 months.

This allows for the mitigation of serious risks to the implementation of the project and potential cost to Council.

Following the PSG decision business process mapping is underway for all applicable areas, and strategic approaches regarding customer service flows and asset management are being explored.

The Records Management pre-scope work is complete and department workshops are about to commence.

The licence review is nearing completion, with the addition of the extra finance modules identified and implications of works management being clarified.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That Audit and Risk Committee:

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

CARRIED

4.6 PAYROLL SYSTEM IMPLEMENTATION UPDATE

EXECUTIVE SUMMARY

This Report is the second progress update and covers the initiation component of the Payroll System Implementation Project ('the Aurion Payroll Project').

The Aurion Payroll Project strategy is to reduce known, ongoing, perceived future and governance risks that are a result of systems being identified as not fit for purpose. The Aurion Payroll system has been deemed a suitable system that will help support Council in reducing this risk. The implementation of the product, and the implementation process in itself, will allow for Council to develop a transparent risk strategy for Payroll compliance.

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

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski

Seconded: Cr Brett Cunningham

The Audit & Risk Committee note the project update on the Aurion Payroll Project (System Implementation) to ensure visibility to the overall Council risk and strategy related to Payroll decisions, and those with wider functional interaction to People and Culture, Finance, Operations & Information Technology (IT).

CARRIED

4.7 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 September, the ATO have 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. Council have received advice from our Lawyers regarding this matter, and consistent with the guidance provided by the ATO, 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. On the basis of this view, Council has made a request to the ATO for them confirm that Council is not required to file SGC statements in relation to annual leave loading for the additional period of time requested.

The review of *Early Education Employees Enterprise Agreement 2020* has commenced and instead of a full review, due to the complexity of the individual engagement arrangements for the staff covered by this agreement, a decision was made to conduct a summary review of 5-6 employees to ascertain whether any issues or non-compliance is identified. If issues are identified within this cohort, then a full review will be considered at this time.

The Community Protection Officers enacted the Dispute Resolution Procedure in the Enterprise Agreement to resolve their concerns about the back-payment made to them. A confidential settlement has been reached with the two of the three employees impacted.

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Cr Helena Kirby

That the Audit and Risk Committee receive the update on the Payroll Audit Review process currently being undertaken by Council, noting all three Community Protection Officers have advised that they will accept the confidential financial settlement since the preparation of this report.

CARRIED

4.8 OHS QUARTER 1 REPORT

EXECUTIVE SUMMARY

This report discusses OHS information and performance for the period of 1 July to 30 September 2021. The full report is available as Attachment 1.

Highlights for the quarter included:

- Commencement of Will Neville – Coordinator Occupational Health and Safety (late July) and Kerry Armstrong – Occupational Health and Safety Officer/RTW Coordinator (August)
- Fit testing of P2/N95 face masks for Active Aging and Inclusion staff
- Transition to the new WorkCover provider, EML and refining RTW processes with new agent
- Development of OHS training module within the Learning Achievement Management Platform (LAMP)
- Providing and updating COVID-19 advice as changes occurred, including:
 - Mandatory Vaccinations for construction workers
 - Managing going into and coming out of State and LGA lockdowns

GPSC welcomed 2 new members to the OHS team, Will Neville, Coordinator OHS and Kerry Armstrong, OHS Officer/RTW Coordinator. The team have hit the ground running, working with GPSC's new Workcover agent, EML to finalising the transition and embed updated work practices.

A focus on COVID Safe measure has become a priority due to ever changing requirements in different areas of Council. These activities will continue to evolve as the State Government eases restrictions and the COVID Safe Working Group will continue to meet weekly to ensure compliance.

A total of 14 hazards, 8 near misses and 4 incidents were reported, and further details on these incidents can be found in Attachment 2.

There was 1 new Workcover claim submitted and accepted by the insurer during quarter 1, overall, there are currently 3 active Return to Work (RTW) cases. There were 2 Workcover cases that have been closed with employees achieving a full return to work. These cases are no longer being managed by the team. The team is also pro-actively managing 3 non-work related RTW cases.

WorkSafe made contact with Council on 2 separate occasions during Quarter 1:

- **Contact 1:** WorkSafe made contact with Council after a complaint from a person alleging Council was not complying with the work from home directive as part of the COVID-19 obligations. WorkSafe were provided evidence of the management of COVID requirements and were satisfied that the controls in place were appropriate.
- **Contact 2:** A WorkSafe inspector witnessed a Council worker walking close to a moving grader and not wearing face coverings as required. The Inspector issued a cease work direction on the day and is making ongoing enquiries.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That Audit & Risk Committee receive and note the Occupational Health and Safety (OHS) Quarter 1 report for 2021-22.

CARRIED

4.9 COVID VACCINATION UPDATE

EXECUTIVE SUMMARY

This report provides an update up to 26 October 2021 on the mandatory vaccination status for Council employees.

Over the past few months, Directions have issued by Victoria's Chief Health Officer to help contain the spread of COVID-19 and keep Victorians safe. The purpose of these directions is to impose obligations upon employers in relation to the vaccination of workers, in order to limit the spread of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) within the population of those workers.

The first directions which were issued focused upon facilities and their workers. There was a requirement for all workers and contractors who worked in these facilities to be mandatorily vaccinated by deadlines prescribed in the direction. Council workers and facilities which were included in these directions were:

- Construction sites and workers – this included our roads and drainage maintenance workers, engineers and other team members from the I&D Directorate.
- Education facilities and workers – this included our kinder teachers and educators and all other staff and contractors working in our kindergarten facilities.
- Healthcare facilities and workers – this included our maternal & child health workers and all staff and contractors working in our healthcare facilities.

The Senior Management Team (SMT), which is made up of the three Directors and the CEO reviewed the list of employees in their respective directorates who would be included in the categories above and determined which staff were covered by the directive. These staff were notified via formal letters which contained the relevant details for the directive which included the deadlines for the two doses of the vaccination and also the requirement to provide evidence.

We were very pleased with the response rate from staff in the three categories above, as most of these cohorts had had their first doses and many had already had their second dose.

The State Government then announced in a media release that all staff who were designated as Authorised Workers would requirement mandatory vaccinations for staff to attend workplaces.

The first *COVID-19 Mandatory Vaccination (Workers) Directions* which were issued did not include all workers covered by the Authorised Worker list, which was contrary to the commentary from the State Government. This created confusion for Local Government and after consulting with key stakeholders in Local Government, the next version of the Directions issued by the Chief Health Officer included a requirement for all local government workers to be vaccinated.

At 26 October, 96% of Council staff have had their first dose and 88% have received both doses. A small number of staff (8%) have only had their first vaccination but have confirmed they are booked in to receive the second dose which complies with the Directions issued. Staff who have advised that they are not going to be vaccinated have been advised that the vaccinations are an inherent requirement of the role and a consequence of not being vaccinated may impact upon their employment. Council is managing the small number of staff that have decided not be vaccinated in accordance with the relevant policies and employee code of conduct requirements.

It is pleasing to note that Council staff have overwhelmingly been proactive in getting vaccinated, which protects not only our staff but also our community. Staff were able to access 2 hours leave to receive their vaccinations.

All vaccination records have been received via a central email address and will be kept in line with privacy and health records requirements. The process has been coordinated very effectively within a rapidly changing environment.

COMMITTEE RESOLUTION

Audit and Risk Committee Meeting Minutes

9 November 2021

Moved: Cr Brett Cunningham

Seconded: Mr Andrew Pearce

That Audit & Risk Committee receive and note the report which provides an update up to 26 October 2021 on the mandatory COVID-19 vaccination status for Council employees.

CARRIED

4.10 RISK MANAGEMENT AND INSURANCE QUARTER 1 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: Cr Helena Kirby

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

CARRIED

4.11 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.8 – Stakeholder Management.

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That the Audit and Risk Committee note the presentation on the Strategic Risk – Stakeholder Management presented by our Manager Recreation and Community Development, Ben Jordan.

CARRIED

At 10:46am, Cr Brett Cunningham left the meeting.

4.12 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 01 July 2020 to 30 June 2021 is provided for the Audit & Risk Committee member's information (Attachment 1).

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Cr Helena Kirby

That the Audit and Risk Committee receive the end of year report on the Local Government Performance Reporting Indicators (Attachment 1) for the period 01 July 2020 to 30 June 2021.

CARRIED

4.13 FINANCE QUARTER 1 UPDATE

EXECUTIVE SUMMARY

As at 30 September 2021, the Income Statement reports total operating revenue of \$32.3m and total operating expenditure of \$9.5m, which results in a year to date surplus of \$22.7m. This is \$2.1m favourable compared to the original budget, and \$1.8m favourable to the revised budget.

The Capital Works Statement indicates total capital works expenditure (including commitments) of \$7.0m, which is \$4.4m above the original budget, and \$2.5m above 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 1 Finance Report was presented to Council at the 19 October 2021 meeting for noting.

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski

Seconded: Mr Andrew Pearce

That the Audit and Risk Committee note the content in the Quarter 1 Finance Report for the 3 months ended 30 September 2021.

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: Mr Andrew Pearce

Seconded: Cr Helena Kirby

That the Audit and Risk Committee note:

1. That no instances of fraud have been detected in the first quarter of 2021-22.
2. The status of the Fraud and Corruption Awareness training program rolled out to Council officers and Councillors.

CARRIED**4.15 INTERNAL AUDIT PROGRAM****COMMITTEE RESOLUTION**

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That the Audit and Risk Committee note the progress on Cyber Security Audit and data analytics review as at November 2021.

CARRIED**4.16 2020-21 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 2020-21 Financial Statements and Performance Statement at the 14 September 2021 Audit and Risk Committee meeting.

VAGO have now completed the review of the 2020-21 Financial Statements and Performance Statement with no material changes to the accounts that were presented at the September meeting.

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Cr Helena Kirby

That the Audit and Risk Committee:

1. Note the delay experienced with the external audit process and impact on timing of certification of the 2020-21 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 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 2020 and adopted by Golden Plains Council in February 2020. As a result, this report will be provided at the 23 November Council meeting.

COMMITTEE RESOLUTION

Moved: Mr Joe Adamski

Seconded: Cr Helena Kirby

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 23 November 2021

CARRIED

4.18 MAV WORKCARE SCHEME**EXECUTIVE SUMMARY**

Following the decision of WorkSafe to not renew the licence of the Municipal Association of Victoria's (MAV) WorkCare Scheme, Golden Plains Shire Council's assessed contribution has been calculated to be \$156,100 of which \$140,700 is due during October 2021 as outlined in the invoice attached.

COMMITTEE RESOLUTION

Moved: Mr Phil Delahunty

Seconded: Cr Helena Kirby

That the Audit and Risk Committee note the financial impost of the winding up of the MAV WorkCover scheme and note the amount to be paid of \$140,700 is below the budgeted amount that was included in the 2021/22 budget of \$180,000.

CARRIED

4.19 INSURANCE RENEWALS FOR 2021/22**EXECUTIVE SUMMARY**

The 2021/22 insurance renewals have now been completed, Council has renewed its insurance with Municipal Association of Victoria (MAV) & JLT Public Sector for the 2021/22 financial year.

The insurance renewals are summarised in this report and the full renewal report attached for the committee's information (Attachment1).

COMMITTEE RESOLUTION

Moved: Mr Andrew Pearce

Seconded: Mr Joe Adamski

That the Audit and Risk Committee receive and note the 2021/22 Insurance Renewals Report.

CARRIED**4.20 GOVERNANCE QUARTER 1 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 Joe Adamski

Seconded: Cr Helena Kirby

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

CARRIED

4.21 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: Cr Helena Kirby

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

5 OTHER BUSINESS

Nil

6 DATE OF NEXT MEETING

February 2022

7 CLOSE OF MEETING:

The Meeting closed at 11.15am.

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

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CHAIRPERSON