



Southern Grampians
SHIRE COUNCIL

Audit & Risk Committee Minutes

Ordinary Meeting
16 February 2021

Held at 1.30pm via
Microsoft Teams Meeting

	Outcome Sought	Presenter	Tabled
1. MEMBERSHIP			
Members	<i>Noting</i>	<i>Chair</i>	<i>Verbal</i>
Mr Michael Murphy OAM – Chair			
Mr Brian Densem			
Ms Aisling Cunningham			
Cr David Robertson (Deputy Mayor)			
Cr Mary-Ann Brown			
Attending			
Mr Michael Tudball – Chief Executive Officer			
Mr Russell Bennett – Acting Director Community & Corporate Services			
Mr Jason Cay – Acting Manager Finance			
Ms Nikki Sutherland – Acting Manager Organisational Development			
Minutes			
Ms Nadine Rhook – Executive Assistant – Director Community & Corporate Services			
2. WELCOME			
3. APOLOGIES			
4. CONFLICT OF INTEREST			
5. CONFIRMATION OF MINUTES			
5.1 Confirmation of Minutes: Audit & Risk Committee meeting – 14 December 2020	<i>Confirmation</i>	<i>Chair</i>	<i>Attachment</i>
5.2 Summary Table of Outstanding Matters	<i>Noting</i>	<i>R Bennett</i>	<i>Attachment</i>
6. EXTERNAL AUDIT			
6.1 Progress Report of Current Actions – McLaren Hunt	<i>Information</i>	<i>J Cay</i>	<i>Attachment</i>
7. INTERNAL AUDIT			
7.1 Internal Audit Progress - Overall	<i>Noting</i>	<i>R Bennett</i>	<i>Attachment</i>
7.2 Progress Report of Internal Audit Actions (Interplan) –	<i>Noting</i>	<i>N Sutherland</i>	<i>Attachment</i>
<ul style="list-style-type: none"> • Customer Service & Complaints • Risk Management • Waste Management • Asset Management & Road Maintenance • Building Maintenance • Procurement • Depot Management 			

	Outcome Sought	Presenter	Tabled
8. MATTERS ARISING FROM THE PREVIOUS MINUTES			
9. STANDING ITEMS			
9.1 Standard Statements	<i>Information</i>	<i>J Cay</i>	<i>Attachment</i>
9.2 Implementation of Local Government Act	<i>Information</i>	<i>K Saunders</i>	<i>Report</i>
9.3 Compliance Framework	<i>Noting</i>	<i>K Saunders</i>	<i>Attachment</i>
9.4 OHS Report	<i>Noting</i>	<i>M Shanahan</i>	<i>Report</i>
10. BUSINESS FROM THE ANNUAL SCHEDULE			
10.1 Review Council's Procurement Policy & Guidelines	<i>Decision</i>	<i>J Cay</i>	<i>Report</i>
10.2 VAGO, Ombudsman & IBAC Report	<i>Information</i>	<i>RSD Audit</i>	<i>Attachment</i>
10.3 Councillor Expenses – Q2 (October – December)	<i>Information</i>	<i>K Saunders</i>	<i>Attachment</i>
10.4 External Auditors proposed Audit Strategy	<i>Decision</i>	<i>C Kol/J Cay</i>	<i>Attachment</i>
11. GENERAL BUSINESS			
11.1 COVID-19 Update	<i>Information</i>	<i>M Tudball</i>	<i>Verbal</i>
11.2 Brown Street Building Flood – January 2021	<i>Information</i>	<i>M Tudball</i>	<i>Attachment</i>
12. NEXT MEETING	<i>Information</i>	<i>Chair</i>	<i>Verbal</i>
13. COMMITTEE IN CAMERA			

1. Attendance

Members

Mr Michael Murphy OAM – Chair
Mr Brian Densem
Ms Aisling Cunningham
Cr David Robertson (Deputy Mayor)
Cr Mary-Ann Brown

Officers

Mr Michael Tudball – Chief Executive Officer
Mr Russell Bennett – Acting Director Community & Corporate Services
Mr Jason Cay – Acting Manager Finance
Ms Nikki Sutherland – Acting Manager Organisational Development

Minutes

Mrs Nadine Rhook – Executive Assistant – Director Community & Corporate Services

Guests

Mr Chris Kol - McLaren Hunt Financial Group
Ms Kathie Teasdale – RSD Audit
Ms Karly Saunders – Governance Coordinator
Mr Mike Shanahan - Health & Safety Coordinator
Ms Belinda Johnson – Acting Director Infrastructure – partial attendance

2. Welcome – Chair

The Chair welcomed all to the meeting and thanked everyone for the work that has been done. The Chair also thanked everyone in their Acting capacities. Ms Belinda Johnson, as Acting Director Infrastructure, also joined the meeting.

Additional Items for discussion under General Business - 11.3 - Update on the Auditor General's Programmed Audit Plan for the 2021 Year - Fraud Control of External Grants and Item 11.4 - Membership and Chairing of this Committee.

3. Apologies

Ms Evelyn Arnold – Director Community & Corporate Services

4. Conflict of Interest

Mr Mick Murphy – Wannan Water
Mr Brian Densem – Chair of Glenelg Hopkins CMA Audit & Risk Committee
Ms Aisling Cunningham – Quality Manager of Western District Health Service
Cr David Robertson – Item 10.3 – Councillor Expenses
Cr Mary-Ann Brown – Item 10.3 – Councillor Expenses

NOTED

5. Confirmation of Minutes

Minutes of the meeting held on 14 December 2020 have been circulated.

These unconfirmed minutes were presented to Council at the Ordinary Monthly Meeting held on Wednesday 10 February 2021.

RECOMMENDATION

THAT the Minutes of the Ordinary Meeting of the Audit & Risk Committee held on 14 December 2020 be confirmed as a correct record of business transacted.

Moved: Mary-Ann

Seconded: Brian

CARRIED

ACTION

THAT the Committee requested a follow up and report back to the Committee from the Executive on the items from the VAGO Report - Warrnambool City Card Credit Cards report and October 2020 VAGO Reducing Bushfire Risk from the 14 December 2020 meeting.

THAT the Purchasing Cards Internal Audit Report be listed as an item for the May ARC Meeting to include updates on the Credit Card, Hospitality and Procurement Policies.

Item 5.2 Summary Table of Outstanding Matters

Author: Russell Bennett, A/Director Community & Corporate Services

Attachments: Summary Table of Outstanding Matters

RECOMMENDATION/ACTION

THAT this item be noted and items noted as "Close" be removed from the listing.

NOTED

Item 6.1 External Audit - Progress Report of Current Actions

Author: Jason Cay, A/Manager Finance

Attachments: Progress Report of Current Actions - External Audit

RECOMMENDATION/ACTION

THAT the Committee note the Progress of Current Actions.

THAT an extra column is inserted that provides a date for when the item is to be resolved and closed out and to be presented at the May ARC Meeting.

THAT a Risk Status column is also added as identified in the Management Letter.

THAT the item specifically about the revaluation of assets including Bridges and Drainage etc, which was identified in the previous Management letter, needs to be dealt with and requires an update by the next ARC Meeting.

THAT a specific recommendation to Council from the ARC Committee be: "Action 3.1.4.2 in the Final Management Letter be dealt with as a matter of urgency. It is a high-risk status project and a commitment was made via the Final Management letter actions last year that it would be completed by the 30 June 2021".

Moved – Cr Robertson
Seconded – Mr Densem

CARRIED

Ms Johnson left the meeting at 2.01pm

Item 7.1 Internal Audit Progress - Overall

Author: Russell Bennett, A/Director Community & Corporate Services
Attachments: Internal Audit Updates & Timeframes

RECOMMENDATION/ACTION

THAT the Committee note the update of the Internal Audit Progress.

THAT Ms Teasdale offered RSD Audit assistance with the Asset Management Road Internal Audit project item that is next on the list.

THAT that the information within the Discussion Item be updated.

NOTED

Item 7.2 Progress Report of Internal Audit Actions (Interplan)

Author: Nikki Sutherland, A/Manager Organisational Development
Attachments: Interplan Reports - Various

RECOMMENDATION/ACTION

That the Committee note the attached Interplan reports for the following:

- Customer Service & Complaints
- Risk Management
- Waste Management
- Asset Management & Road Maintenance
- Building Maintenance
- Procurement
- Depot Management

THAT the following Actions be Taken on Notice for feedback at the May ARC Meeting:

Asset Management for Pathways & Roads in the Interplan Audit Plan – Overall – in terms of buildings and the airport.

Implementation of the Hamilton Depot Masterplan - Item 1.2.1.1 -- what is the plan for the rollout of the other Depots.

THAT the comments are updated for the following Items in the Interplan Report:

6.10 - Complaints Handling Policy – Item 1.1.1.11 – update notes in the Action Progress Comments.

6.5 Customer Service Strategy – Item 1.1.1.6 – update the notes to reflect the mandatory requirements around the new Local Government Act.

6.6 – Level of Training Provided – Item 1.1.1.7 – update notes in the Action Progress Comments.

6.8 – Guidance Documentation – Item 1.1.1.9 – Asked if a Customer Request Form is included online for the customer to complete – Answered not at this time.

THAT the Committee requested an update on Waste Management and Landfill Rehabilitation projects noted in financial reports – Mr Tudball Taken on Notice to report back within the Minutes.

THAT the Committee would like an incorporation of Risk Rating in the Interplan Report to include in the comments. Under Action Progress Comments – the staff member to put High, Medium or Low.

NOTED

Item 9.1 Standard Statements – Finance Report

Author: Jason Cay, A/Finance Manager
Attachments: Standard Statements

RECOMMENDATION

THAT the Committee note the Finance Reports as at 31 December 2020, as presented.

NOTED

Item 9.2 Implementation of Local Government Act

Author: Karly Saunders, Governance Coordinator
Attachments: Local Government Act 2020 Project Plan

RECOMMENDATION

THAT this item be noted.

NOTED

Item 9.3 Compliance Framework

Author: Karly Saunders, Governance Coordinator
Attachments: Project Plan

RECOMMENDATION/ACTION

THAT the Committee note the update on the Compliance Framework.

THAT Ms Saunders monitor the compliance requirements and due dates are being met.

NOTED

Mr Shanahan entered the meeting at 2.27pm

Item 9.4 OHS Report

Author: Mike Shanahan, Health & Safety Coordinator
Attachments: OHS Report

RECOMMENDATION

THAT the Committee note the attached report.

NOTED

Mr Shanahan left the meeting at 2.48pm

Item 10.4 – External Auditors proposed Audit Strategy was presented next.

Item 10.1 Review of Council’s Procurement Policy & Guidelines

Author: Jason Cay, A/Manager Finance
Attachments: Nil

RECOMMENDATION/ACTION

THAT the Committee note the timeline for the development of a revised Procurement Policy & Guidelines.

THAT this item will be listed for the May ARC Meeting.

NOTED

Item 10.2 VAGO, Ombudsman, IBAC Reports**Author: RSD Audit****Attachments: VAGO, Ombudsman & IBAC Reports****RECOMMENDATION/ACTION**

THAT the Committee note the recent reports and publications by Government Agencies and other sources that may impact on public sector agencies.

THAT the Committee would like to receive a report from Council on the December 2020 - Sexual Harassment in Local Government - VAGO Report.

THAT Mr Tudball and Mr Bennett incorporate some commentary into RSD's Report regarding the Sexual Harassment item from the VAGO – Action for next meeting.

NOTED**Item 10.3 Review Councillor Expenses****Author: Karly Saunders, Governance Coordinator****Attachments: Councillor Expenses****RECOMMENDATION**

THAT the Committee note the Councillor Expense Report as presented.

NOTED

Item 11.1 – COVID-19 Update was presented next.

Item 10.4 Audit Strategy**Author: Jason Cay, Acting Manager Finance****Attachments: Audit Strategy****RECOMMENDATION**

THAT the 20120/21 Audit Strategy be noted.

NOTED

Item 11.3 - Auditor-General's Annual Plan 2021-22- formal consultation SGSC - Fraud control over local government grants was presented next.

Item 11.1 COVID-19 Update

Author: Michael Tudball, CEO
Attachments: Nil

RECOMMENDATION

THAT the Committee note the verbal update provided by Mr Tudball.

NOTED

Item 11.2 Brown Street Business Centre, Finance Building, Library, PAC and Senior Citizens building Flood Update

Author: Michael Tudball, CEO
Attachments: Nil

RECOMMENDATION

THAT the Committee note the update provided by Mr Tudball.

THAT the Committee note the \$100,000 cost is additional to insurance.

NOTED

Item 11.3 Auditor-General's Annual Plan 2021-22- formal consultation SGSC - Fraud control over local government grants

Author: Michael Tudball, CEO
Attachments: Auditor-General's Annual Plan 2021-22- formal consultation SGSC - Fraud control over local government grants

RECOMMENDATION

THAT the Committee note the verbal update provided by Mr Tudball and any progress will be brought back to the Committee.

NOTED

Mr Kol left the meeting at 2.50pm

Item 10.1 - Review of Council's Procurement Policy & Guidelines was presented next.

Item 11.4 Membership & Chairing of the ARC Committee

Author: Michael Tudball, CEO
Attachments: Nil

RECOMMENDATION

THAT the Committee note the update provided by Mr Tudball.

THAT the Committee endorse Mr Tudball's recommendation that Mr Murphy be re-appointed as an Independent Member for a further two (2) years from 14 March 2021 to 13 March 2023 and recommend that Mr Densem be appointed as Chair for two (2) years from 14 March 2021 to 12 March 2023.

THAT the Committee look at a succession plan in 12 months.

NOTED

Ms Teasdale left the meeting at 3.30pm

The Chair thanked all the Acting staff members for their contribution's today and everyone who has assisted him whilst in the role of Chair of the ARC Committee and wished Mr Densem well in his new position and thanked Mr Tudball and his staff for his time and assistance.

12. Next Meeting

The next meeting quarterly meeting is scheduled for 17 May 2021 at Martin J Hynes Auditorium.

13. Committee in Camera

Did not transpire as Ms Teasdale and Mr Kol had left the meeting.

Meeting closed 3.37pm

The Committee asked regarding the priority for Internal Audit of Melville Oval/CBD Revitalisation project listed as low does this need review now that Council has resolved to progress two components? This can be reviewed as the year/s progress and if priorities change the program is flexible as to the Committee's requirements.