



Southern Grampians
SHIRE COUNCIL

Audit & Risk Committee Minutes

Ordinary Meeting
15 February 2022

Held at 1.30pm via
Teams Meeting

1. Attendance

Members

Mr Brian Densem – Chair
Mr Michael Murphy OAM
Ms Aisling Cunningham
Cr David Robertson (Deputy Mayor)
Cr Helen Henry

Officers

Mr Tony Doyle – Chief Executive Officer
Ms Evelyn Arnold – Director Community & Corporate Services
Ms Belinda Johnson – Manager Finance
Ms Tahlia Homes – Acting Manager Organisational Development

Minutes

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

Guests

Ms Cassandra Gravenall – Crowe Audit Australia
Mr Hadyn Greer – Crowe Audit Australia
Ms Kathie Teasdale – RSD Audit
Mr Paul Harrison – RSD Audit
Ms Marg Scanlon – Director Infrastructure
Mr John Finnerty – Manager Assets
Mr Mike Shanahan – Health & Safety Coordinator
Mr Russell Bennett – Manager Business Systems

Mr Densem, Mr Murphy, Cr Henry, Cr Robertson, Ms Cunningham, Ms Gravenall, Mr Greer, Ms Teasdale and Ms Rhook entered the meeting at 1.28pm. Ms Rhook left the meeting at 1.31pm.

2. Committee in Camera

Mr Doyle, Ms Johnson and Ms Rhook entered the meeting at 1.45pm.

3. Welcome – Chair

Mr Densem welcomed Cassandra and Haydn from Crowe Audit for their first Audit & Risk Committee meeting. Congratulations to Tony for being appointed as CEO for Council and has been very supportive and look forward to working together.

4. Apologies

Ms Tania Quinn – Acting Governance Coordinator

Ms Arnold, Mr Finnerty and Ms Homes entered the meeting at 1.47pm

5. Conflict of Interest

Mr Brian Densem – Chair of Glenelg Hopkins CMA Audit & Risk Committee
 Mr Mick Murphy – Wannan Water
 Ms Aisling Cunningham – Quality Manager of Western District Health Service
 Cr David Robertson – Item 12.2 – Councillor Expenses
 Cr Helen Henry – Item 12.2 – Councillor Expenses

6. Confirmation of Minutes

Minutes of the meeting held on 9 November 2021 have been circulated.

These unconfirmed minutes were presented to Council at the Ordinary Monthly Meeting held on Wednesday 8 December 2021.

RECOMMENDATION

THAT the Minutes of the Ordinary Meeting of the Audit & Risk Committee held on 9 November 2021 be confirmed as a correct record of business transacted.

Moved: Cr Henry

Seconded: Mr Murphy

CARRIED

Item 6.2 Summary Table of Outstanding Matters

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: Summary Table of Outstanding Matters

RECOMMENDATION

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

THAT the Executive start looking at recruiting a new external member as Mr Murphy’s term finishes on 13 March 2023. Discussed a Succession Plan for an independent member rotating each year, staggered approach so each external member’s terms finish at different times.

NOTED

Item 7.1 External Audit - Progress Report of Current Actions

Author: Belinda Johnson - Manager Finance
Attachments: Progress Report of Current Actions - External Audit

RECOMMENDATION

THAT the Committee note the Progress of Current Actions.

NOTED

Item 7.2 Final Management Letter & Closing Report

Author: Belinda Johnson – Manager Finance
Attachments: Final Management Letter & Closing Report

RECOMMENDATION

THAT the Committee acknowledge the Final Management Letter and Closing Report as presented.

NOTED

Mr Harrison entered the Meeting at 2.00pm

Item 7.3 Audit Strategy

Author: Belinda Johnson, Manager Finance
Attachments: Audit Strategy – circulated separately

RECOMMENDATION

THAT the 2021/22 Audit Strategy be noted.

NOTED

Ms Gravenall and Mr Greer left the meeting at 2.06pm

Item 7.4 VAGO Audit – Fraud Control over Local Government Grants

Author: Belinda Johnson – Manager Finance
Attachments: Greater Grants Policy and Greater Grants Guidelines

RECOMMENDATION

THAT the Committee note the progress of this item.

NOTED

Item 8.1 Internal Audit Progress - Overall

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: Internal Audit Updates & Timeframes

RECOMMENDATION

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

NOTED

Item 8.2 Progress Report of Internal Audit Actions (Interplan)

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: Interplan Reports - Various

RECOMMENDATION

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
- Purchasing Cards
- Data Security Protection (VPDSS)
- Local Laws
- Road Asset Management

NOTED

Item 8.3 Internal Audit - Draft Scope – Data Analysis - Accounts Payable & Procurement

Author: RSD Audit
Attachments: Data Analysis - Accounts Payable & Procurement

RECOMMENDATION

THAT the Committee endorse the draft scope for Data Analysis – Accounts Payable & Procurement.

Moved: Mr Murphy
Seconded: Cr Robertson

CARRIED

Ms Scanlon entered the meeting at 2.20pm

Item 8.4 Internal Audit Progress – Child Safe Standards - Final Report

Author: Tahlia Homes – Acting Manager Organisational Development
Attachments: Child Safe Standards – Final Report

RECOMMENDATION

THAT the Committee endorse the Child Safe Standards – Final Report.

THAT the tasks outlined be entered into Interplan for monitoring and reporting.

Moved: Mr Murphy
Seconded: Ms Cunningham

CARRIED

Mr Bennett entered the meeting at 2.30pm

Item 9.1 Excess Leave Update

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: Nil

RECOMMENDATION/ACTION

THAT the Committee note the update of the Excess Leave.

THAT a Variance Report be presented at the May ARC meeting to show movement in the excess leave.

NOTED

Item 9.2 ICT Physical Policies & Procedures

Author: Russell Bennett, Manager Business Systems
Attachments: ICT Physical Policies & Procedures

RECOMMENDATION/ACTION

THAT the Committee note the SGSC Cyber Security audit presentation.

THAT Mr Bennett come back to the September or November ARC Meeting to update the Committee with the penetration testing results, where the program is, what budget has been approved and what projects will be worked on. Reporting on Essential 8's.

NOTED

Mr Bennett left the meeting at 3.01pm

Item 9.3 Asset Management Framework

Author: Marg Scanlon, Director Infrastructure
Attachments: Nil

RECOMMENDATION

THAT the Committee note the verbal update.

NOTED

Item 9.4 Quarry Rehabilitation with Boral Resources

Author: Belinda Johnson, Manager Finance
Attachments: Nil

RECOMMENDATION

THAT the Committee note the update.

NOTED

Item 10.1 Implementation of Local Government Act

Author: Tania Quinn, Acting Governance Coordinator
Attachments: Local Government Act 2020 Project Plan

RECOMMENDATION

THAT this item be noted.

NOTED

Item 10.2 Compliance Framework

Author: Tania Quinn, Acting Governance Coordinator
Attachments: Compliance Overview

RECOMMENDATION

THAT the Committee note the update on the Compliance Framework.

NOTED

Item 10.3 Integrated Strategic Planning & Reporting Framework

Author: Belinda Johnson, Manager Finance
Attachments: None

RECOMMENDATION

THAT the Committee note the update on the Integrated Strategic Planning & Reporting Framework.

NOTED

Item 10.4 Review Council’s Procurement Policy

Author: **Belinda Johnson, Manager Finance**
Attachments: **Procurement Policy 2021-2025**

RECOMMENDATION

THAT the Committee note the adopted Procurement Policy.

NOTED

Ms Scanlon and Mr Finnerty left the meeting at 3.25pm

Item 10.5 Audit & Risk Committee – Biannual Assessment

Author: **Evelyn Arnold, Director Community & Corporate Services**
Attachments: **Audit & Risk Committee Charter**

RECOMMENDATION/ACTION

THAT the Committee provide feedback on the survey or adopt the survey.

THAT the Neutral Response be removed from the survey questions.

THAT the Committee provide feedback to Ms Arnold by Monday 28 February 2022.

NOTED

Item 11.2 was presented next. Mr Shanahan entered the meeting at 3.35pm

Item 11.1 OHS Report

Author: **Mike Shanahan, Health & Safety Coordinator**
Attachments: **OHS Report – Executive Summary**

RECOMMENDATION

THAT the Committee note the attached report.

NOTED

Mr Shanahan left the meeting at 3.49pm

Item 11.1 was presented next.

Item 11.2 MAV Workcover Claim

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: None

RECOMMENDATION

THAT the Committee note the verbal update.

NOTED

Item 12.1 VAGO, Ombudsman, IBAC Reports

Author: RSD Audit
Attachments: VAGO, Ombudsman & IBAC Reports

RECOMMENDATION

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

NOTED

Item 12.2 Councillor Expenses Quarterly Report

Author: Tania Quinn, Acting Governance Coordinator
Attachments: Councillor Expenses - Quarterly Report – 1 October 2021 – 31 December 2021

RECOMMENDATION

THAT the Committee note the Councillor Expense Report as presented.

NOTED

Item 12.3 Finance Reports to December 2021

Author: Belinda Johnson, Manager Finance
Attachments: Finance Reports to 30 September 2021 and December 2021

RECOMMENDATION

THAT the Committee note the Finance Reports as at 30 September 2021 and 31 December 2021, as presented.

NOTED

Cr Henry left the meeting at 3.57pm

14. Other Items

The CEO requested to include the below questions to the Standing Item section of the ARC Agenda for future meetings at Item 6:

- Has the work of the internal audit been obstructed in any way? (To the Internal Auditor)
- Are there any matters such as breaches of legislation, impending legal action, practices or actual suspected fraud occurrences that have occurred within the organisation since the last meeting that need to be brought to the attention of the Committee? (To the CEO)
- Are there any conflict of interest matters that need to be brought to the attention of the Committee? (To the CEO)

The Committee agreed for this to be incorporated into the meeting procedures.

15. Next Meeting

The next quarterly meeting is scheduled for 17 May 2022.

The Chair thanked everyone who attended and contributed to the meeting.

Meeting closed at 4.01pm