



Southern Grampians
SHIRE COUNCIL

Audit & Risk Committee Minutes

Ordinary Meeting
14 June 2022

Held at 1.30pm in
Martin J Hynes Auditorium/
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
Mr Jason Cay – Acting 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 Paul Harrison – RSD Audit
Mr Mike Shanahan – Health & Safety Coordinator

*Mr Densem, Mr Murphy, Cr Henry & Cr Robertson joined the meeting in person at 1.30pm.
Ms Gravenall and Mr Harrison joined the meeting virtually at 1.30pm.*

2. Committee in Camera

The Committee and Auditors discussed the process of their various audit assignments. Both firms confirmed their audit work had not obstructed in any way during the period.

Mr Doyle, Ms Arnold, Mr Cay and Ms Rhook joined the meeting in person at 1.40pm.

3. Welcome – Chair

The Chair welcomed everyone to the meeting and advised that Ms Cunningham had another meeting to attend which was a priority. Due to the Internal and External Auditors needing to attend other meetings, the format of the meeting will commence at Item 5, Item 7.2, Item's 8 then back to Item 6.

4. Apologies

Ms Belinda Johnson – Manager Finance
Ms Tahlia Homes – Acting Manager Organisational Development
Ms Kathie Teasdale
Ms Aisling Cunningham

5. Conflict of Interest

Mr Brian Densem – Chair of Glenelg Hopkins CMA Audit & Risk Committee
Mr Mick Murphy – Wannon 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

Item 7.2 was presented next.

6. Confirmation of Minutes

Minutes of the meeting held on 15 February 2022 have been circulated.

These unconfirmed minutes were presented to Council at the Ordinary Monthly Meeting held on Wednesday 9 March 2022.

RECOMMENDATION

THAT the Minutes of the Ordinary Meeting of the Audit & Risk Committee held on 15 February 2022 be confirmed as a correct record of business transacted.

Moved: Cr Robertson

Seconded: Mr Murphy

CARRIED

Item 6.2 Governance & Risk Management Disclosures

Author: Tony Doyle, Chief Executive Officer

Attachments: Nil

RECOMMENDATION

THAT the Committee note the Internal Auditor and Chief Executive Officer responses to the questions asked by the Audit & Risk Committee Chair.

Chair to CEO:

- 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? – **CEO's Answer - No**
- Are there any conflict of interest matters that need to be brought to the attention of the Committee? - **CEO's Answer - No**

NOTED

Item 6.3 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.

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 Review Interim Management Letter

Author: Belinda Johnson, Manager Finance
Attachments: Nil

RECOMMENDATION

THAT the Committee note the progress of this item. **NOTED**

Item's 8.1, 8.2, 8.3 and 8.4 were presented next.

Item 7.3 VAGO Audit – Fraud Control over Local Government Grants

Author: Belinda Johnson – Manager Finance
Attachments: None

RECOMMENDATION

THAT the Committee note the progress of this item. **NOTED**

Item 9.1 was presented next.

Item 8.1 Internal Audit Progress – Overall & Updated Plan 2022-2024

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: Internal Audit Updates & Timeframes & Updated Plan 2022-2024

RECOMMENDATION/ACTION

THAT the Committee note the update of the Internal Audit Progress & Updated Plan 2022-2024.

THAT Management come back to the Committee at a future meeting with an evaluation of the emerging risks with the new Waste Act as a Risk Management Report.

NOTED

Item 8.2 Progress Report of Internal Audit Actions (Interplan)

Author: Evelyn Arnold, Director Community & Corporate Services
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
- Purchasing Cards
- Data Security Protection (VPDSS)
- Local Laws
- Road Asset Management

THAT a response is provided at the September ARC Meeting regarding Items 5.1.4.65 – Credit Card Usage, Item 5.1.4.72 – Credit Card Transactions and Item 5.1.4.5 – Working with Children’s Check and why these are showing Red – Off Track.

NOTED

Item 8.3 Internal Audit - Draft Project Scope – Service Planning

Author: RSD Audit/ E Arnold – Director Community & Corporate Services
Attachments: Draft Project Scope - Service Planning

RECOMMENDATION

THAT the Committee endorse the draft scope for Service Planning.

Moved: Mr Murphy
Seconded: Cr Robertson

CARRIED

Item 8.4 Internal Audit - Data Analysis - Accounts Payable & Procurement

Author: Belinda Johnson – Manager Finance
Attachments: Nil

RECOMMENDATION

THAT the Committee note the verbal update of the Data Analysis – Accounts Payable & Procurement.

NOTED

Mr Harrison & Ms Gravenell left the meeting at 1.51pm.

Item 6 was presented/discussed next.

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 the correct data set is being collected for the services that reported nil for the month of March 2022 be presented at the ARC September meeting.

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

Mr Shanahan entered the meeting at 2.37pm

Item 10.2 Compliance Framework

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

RECOMMENDATION/ACTION

THAT the Committee note the update on the Compliance Framework.

THAT Management take on notice Item 2722 - Planning and Financial Management Division 3 – Reporting Section 99 Preparation of annual report (1) to why this is Partial Compliance.

| Item # | Obligation | Compliance Status |
|--------|--|-----------------------------|
| 2711 | Planning & Financial Management - Long Term Financial Plan | Compliance is now complete. |
| 2720 | Planning & Financial Management – Annual Report & Performance Statement end of June 2021 | Compliance is now complete. |
| | | |

| | | |
|-------------|---|--------------------------------|
| 2721 | Planning & Financial Management – Annual Report & Performance Statement end of June 2021 | Compliance is now complete. |
| 2722 | Planning & Financial Management – Certification of Performance Statements & Financial Statements end of June 2021 | Compliance is now complete. |
| 2757 | Planning & Financial Management – Strategic Resource Plan | Requirement has been repealed. |
| 2316 | Savings and Transitional Provisions – Service Performance Indicators for year ending 30 June 2021 | Compliance is now complete. |

NOTED

Item 10.3 Audit & Risk Committee – Biannual Assessment Survey Results

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: Audit & Risk Committee – Biannual Assessment Survey Results

RECOMMENDATION/ACTION

THAT the Committee endorse the biannual assessment survey results, to form the basis of a report to CEO.

THAT the Chair and CEO discuss the best approach to the survey process and to look at the cycle of when the survey should be distributed to the Committee.

THAT a ‘Comments Field’ is inserted into the survey if the answer is ‘Disagree’ and add an item to the survey to identify the person as a Committee Member or Executive.

THAT Management look at the structure of the ARC Agenda and ARC Charter to make sure they line up and to include an Emerging Risk section.

NOTED

Item 10.4 Audit & Risk Committee Charter

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

RECOMMENDATION/ACTION

THAT the Committee endorse the updated Audit and Risk Charter.

THAT Management update the Financial & Performance Report section, subject to this update, Council adopt the Charter.

Moved: Mr Murphy
Seconded: Cr Henry

CARRIED

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

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 January 2022 – 31 March 2022

RECOMMENDATION

THAT the Committee note the Councillor Expense Report as presented.

NOTED

Item 12.3 Standard Statements – Finance Report

Author: Belinda Johnson, Manager Finance
Attachments: Standard Statements

RECOMMENDATION

THAT the Committee note the Finance Reports as at 31 March 2022, as presented.

NOTED

Item 12.4 Review Draft Budget & Associated Documents

Author: Belinda Johnson, Manager Finance

Attachments: 1. Draft Budget 2. 2025/26 Draft Long Term Financial Plan 2022-2032 3. Draft Asset Plan 2022-2032 4. Draft Pricing Register

RECOMMENDATION

THAT the Committee note the progress of the documents.

NOTED

13. Committee Operations

Nil

14. Other Items

Nil

15. Next Meeting

The next quarterly meeting is scheduled for 6 September 2022.

On behalf of the Committee the Chair wished Ms Arnold all the best for her future and thanked her for her assistance, openness, knowledge and advice. Everyone has appreciated the work you have done.

Meeting closed 3.35pm