**Biannual Audit & Risk Committee Report – (July-December 2023)**

This report is provided in accordance with the *Local Government Act 2020 (Act)*, Section 54 (5a) and describes the activities of the Audit and Risk Committee for the second half of 2023 and includes Committee findings and recommendations.

**Background**

This report is prepared pursuant to section 54(2) of the *Act*, the Committee assists the Council and management by providing review, advice and guidance on the adequacy of initiatives for:

* Compliance management.
* Governance.
* Risk management and fraud prevention.
* Internal control framework.
* Oversight of the internal audit activity, external auditors, and other providers of assurance. Financial statements, performance, and public accountability reporting.

The report also aligns with the Murrindindi Shire Council Audit and Risk Committee Charter, section 6. It is the third biannual report and covers the period July-December 2023 (including meetings on 14 September and 7 December).

**Discussion**

The Audit and Risk Committee is an advisory committee, whose role is to oversee and monitor Council's audit processes, including internal control activities. The committee comprises three independent members and two Councillors. Council appoints councillor members annually, for a 12-month term, which may be renewed subject to Council resolution. Independent members are appointed by Council for a three-year term following an external selection process and are eligible to be reappointed for a maximum of two three-year terms. The Chairperson of the Committee is appointed on an annual basis from the independent membership of the Committee by all members of the Audit and Risk Committee.

This report provides a summary of the work the Committee performed to fully discharge its responsibilities and includes a summary of management’s progress in addressing the results of internal and external audit reports. For the topics covered in the period under review, an overall assessment of management’s risks, controls, and compliance processes, including details of any significant emerging risks or legislative changes impacting the organisation.

The Chief Executive Officer and Senior Management representatives attended meetings

of the Committee, to assist in meeting discussions and procedures.

Representatives from the internal and external auditors also attend to present on

matters related to internal and external audit activities.

**Attendance of Audit and Risk Committee Members at Meetings**

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| --- | --- |
|  | **Number of Meetings attended** |
| Total number of meetings from 1 July to 31 December 2023 | 2 |
| Mr Steve Schinck (Independent Member) Chair | 2 |
| Dr Craig Nisbet (Independent Member) | 1 |
| Mr Claude Baxter (Independent Member) | 2 |
| Cr John Walsh (November appointment) | 1 |
| Cr Sandice McAuley (November appointment) | 1 |
| Cr Damien Gallagher | 1 |
| Cr Sue Carpenter | 1 |

Assistance to the Council

The Audit and Risk Committee is mindful that it has a responsibility to respond to requests for advice from Council and the Committee would like to restate to Council that it continues to welcome any approach for assistance or advice.

The Committee would also like to take this opportunity to thank:

* Staff of the Murrindindi Shire Council for making themselves available to attend Committee meetings,
* The Internal and External Auditors for the production of high-quality reports provided to the Committee; and
* The administrative staff for their support provided to the Committee.

Key activities of the Audit and Risk Committee

Work undertaken by the Committee included consideration of a wide range of reports (many on a regular basis) that indicated Council’s continued monitoring of developments but with no outstanding concerns.

1. Recommending that Council approve in principle, the following statements for the 2022/23 financial year, subject to the review by the Victorian Auditor General’s Office for the year ended 30 June 2023.
2. Recommending Council authorise the Principal Accounting Officer to make minor amendments to the Financial Statements and Performance Statement for the year ended 30 June 2023 to meet the Victorian Auditor General’s (VAGO) requirements.
3. Reviewing the External Auditor Management Letter and Closing Report for 2022/23.
4. Reviewing the changes and providing recommendations to the Draft Enterprise Risk Management Policy including Risk Appetite Statement.
5. Reviewing the Strategic Risk register and Operational risks outside of appetite and providing recommendations.
6. Reviewing and providing recommendations to the Fraud Control Policy and Control System.
7. Reviewing the Public Interest Disclosures report and providing recommendations
8. Reviewing the Chief Executive Officer’s Credit Card Expenditure.
9. Noting of two Quarterly Financial Reports.
10. Noting two Chief Executive Officer’s Questionnaire to Directors.
11. Noting two Chief Executive Officer’s Updates.
12. Noting the Integrity Culture Survey Results.
13. Noting two Internal Audit Recommendations Summary reports.
14. Noting the Review CyberSecurity Framework and Incidents report.
15. Noting the “Review of Fraud Control” Internal Audit Report.
16. Noting the Review & Recommend Internal Audit Plan & Resourcing.
17. Noting the 2022/23 Local Government Performance Reporting Framework (LGPRF) results.
18. Noting the Rate Debtor Management Report.
19. Noting the Insurance Management report.
20. Noting the Policies and Plans that have been recently adopted by Council.