



Murrindindi
Shire Council

Audit and Risk Committee Meeting

Minutes

Thursday 12 December 2024
Alexandra Meeting Room
28 Perkins Street
3:00 PM

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1 WELCOME AND RECOGNITION OF COUNTRY

2 APOLOGIES AND REQUEST FOR LEAVE OF ABSENCE

Apologies:

Cr J Adams

Present:

S Schinck, A Studley, C Nisbet (Virtual), Cr S McAulay (Virtual)

In attendance:

CEO: Livia Bonazzi (Virtual)

Director Assets & Environment: Caroline Lintott

Manager Governance and Risk: Amanda Vogt

Coordinator Integrity & Governance: Nicole North-Vanner

HLB Mann Judd: Meldra Zenija Cifersone (Virtual)

3 DISCLOSURE OF INTEREST OR CONFLICT OF INTEREST

Nil to report.

4 CONFIRMATION OF MINUTES

4.1 Confirmation of Minutes

Minutes of the Audit and Risk Committee Meeting held on 19 September 2024.

RESOLUTION

A Studley / C Nisbet

That the minutes of the Audit and Risk Committee Meeting held on 19 September 2024 be confirmed.

CARRIED

5 REVIEW ANY BUSINESS ARISING FROM PREVIOUS MINUTES

Nil to report.

6 COMMITTEE GOVERNANCE & CHIEF EXECUTIVE OFFICER REPORTS

6.1 CEO's Questionnaire

Presenter L Bonazzi, Chief Executive Officer

Approved by Chief Executive Officer

Purpose For noting

Attachments(s) 1. Attachment 1 – CEO Questionnaire – 30 November 2024 [6.1.1 - 3 pages]

The Chief Executive Officer will present this at the meeting.

RESOLUTION

S Schinck / C Nisbet

That the Audit and Risk Committee note the Chief Executive Officer’s Questionnaire to Directors.

CARRIED

6.2 CEO's Update

Presenter L Bonazzi, Chief Executive Officer
 Approved by Chief Executive Officer
 Purpose For discussion
 Attachments(s) Nil

The Chief Executive Officer will provide a verbal update on the following matters:

- Election and Council Induction
- Project CODI Implementation
- Federal Government Inquiry into Sustainability of Local Government
- Vic Grants Commission Feedback February 2025

RESOLUTION

S Schinck / A Studley

That the Audit and Risk Committee note the Chief Executive Officer’s update.

CARRIED

6.3 Confirm Terms & Appointments of Committee Members

Presenter A Vogt, Manager Governance and Risk
 Approved by M Chesworth, Director People and Corporate Performance
 Purpose For noting
 Attachment(s) Nil

The Audit and Risk Committee Charter states that appointments of external committee members will be made by Council by way of public advertisement and be for a term of three years. Independent members of the Committee are eligible to apply for a maximum of two consecutive three-year terms.

The following is a summary of the status of independent member appointments:

Name	Role	Term	Appointment Date	Re-appointment Date	Appointment Expiry Date
S Schinck	Independent Member	1	24-Aug-22	N/A	30-Jun-25
C Nisbet	Independent Member	2	26-Feb-20	28-Jun-23	28-Jun-26
A Studley	Independent Member	1	24-Jul-24	N/A	24-Jul-27

RESOLUTION

S Schinck / C Nisbet

That the Audit and Risk Committee note the status of independent member appointments.

CARRIED

Livia Bonazzi Left meeting at 3:32pm

7 RISK MANAGEMENT

7.1 Review Risk Register

Presenter:	A Vogt, Manager Governance & Risk
Approved by:	M Chesworth, Director People & Corporate Performance
Purpose:	For noting
Attachment(s):	<ol style="list-style-type: none"> Attachment 1 - Strategic Risk Heatmap Report 7/11/24 [7.1.1 - 6 pages] Attachment 2 - Operational Risk Heatmap Report 7/11/24 [7.1.2 - 6 pages]

Purpose

This report provides an update on how Council is managing its strategic and operational risks, particularly those that are outside appetite and any emerging risks that have been identified. The Executive Risk Management Committee (ERMC) reviewed the strategic and operational risk registers on 30 October 2024. The ERMC made amendments to the risk description of SR-6 (climate change risk) and introduced new controls to SR-12 (emergency management), which amended the target risk assessment. The ERMC also identified a new operational risk relating to the monitoring of qualifications and training, which will be evaluated and assessed.

RESOLUTION

A Studley / C Nisbet

That the Audit and Risk Committee note the Strategic Risk Report in Attachment 7.1.1 and the Operational Risk Report in Attachment 7.1.2.

CARRIED

7.2 Review Insurance Coverage & Claims Management

Presenter: A Vogt, Manager Governance & Risk
Approved by: M Chesworth, Director People & Corporate Performance
Purpose: For noting
Attachment(s): Nil

Purpose

The purpose of this report is to provide the Audit and Risk Committee with summary information regarding Council's insurance policies including workers compensation and associated annual premiums.

RESOLUTION

S Schinck / A Studley
That the Audit and Risk Committee note the report providing summary information on Council's insurance policies including workers compensation and associated annual premiums.

CARRIED

7.3 Review Cyber Security Framework and Incidents

Presenter: N Rongong, Manager Business Services
Approved by: M Chesworth, Director People & Corporate Performance
Purpose: For noting
Attachment(s): Nil

Purpose

This report provides an update in relation to cyber security, including an update on the actions following the Essential Eight internal audit undertaken in 2022, penetration testing and recent potential cyber security events.

RESOLUTION

S Schinck / C Nisbet
That the Audit and Risk Committee note the Cyber Security Framework and Incidents report.

CARRIED

8 AUDITS - INTERNAL

8.1 Review Internal Audit Reports & Management Responses

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Nil to report.

8.2 Follow up Significant Issues Raised by Internal Audit

Nil to report.

8.3 Review Implementation of Previous Audit Actions

Presenter	A Vogt, Manager Governance & Risk
Approved by	M Chesworth, Director People & Corporate Performance
Purpose	For noting
Attachment(s)	1. Attachment 1 - Recommendations Summary Report 8 Nov [8.3.1 - 11 pages]

Purpose

This report provides an update on the implementation of outstanding audit actions. As at 8 November 2024, 72% are complete, 10% are scheduled and 17% of actions are overdue. Three internal audit actions were implemented during the quarter. Two audit actions are on-track for completion by the due-date. Three recommendations are due for completion with work in progress. Five recommendations are overdue and their implementation dates are required to be extended.

RESOLUTION

A Studley / Cr S McAulay
That the Audit and Risk Committee note the Internal Audit Recommendations Summary Report – November 2024 (Attachment 8.3.1).

CARRIED

8.4 Review Scopes of Audits by HLB Mann Judd

Presenter:	HLB Mann Judd
Purpose:	For noting
Attachment(s):	1. Attachment 1 - MSC Scope - Draft IA Plan [8.4.1 - 5 pages]

HLB Mann Judd will present this report.

RESOLUTION

A Studley / S Schinck
That the Audit and Risk Committee approve the scope for the Internal Audit Plan.

CARRIED

8.5 Committee to Meet with Internal Auditors

Opportunity for a closed discussion with the Committee and the internal auditor, HLB Mann Judd, without Council officers present to raise any relevant questions or matters.

Any advice to officers following this discussion can be subsequently relayed by the Chair.

All officers left the room at approximately 3:30pm and returned at 3:45pm.

9 FINANCIAL AND PERFORMANCE

9.1 Review Quarterly Financial Statement

Presenter:	N Rongong, Manager Business Services
Approved by:	M Chesworth, Director People & Corporate Performance
Purpose:	For noting
Attachment(s):	1. Attachment 1 - financial-statement-september-2024 [9.1.1 - 4 pages]

Purpose

This report was presented to Council at its October 2024 Scheduled Meeting. This report provides the quarterly financial report for the period ending 30 September 2024. It includes a reconciliation of the carry forward and other quarterly adjustments to the 2024/25 Annual Budget. This is in line with the requirements of Section 97 of the Local Government Act 2020 for quarterly budget reporting to Council and the adjustments to budget are routine and do not trigger the requirement under Section 95 of the Act for the formal adoption of a new budget. The Annual Revised Budget forecasts an operating surplus for the year of \$3 million, which is an increase of \$664k on the Original Adopted Budget and primarily reflects a significant increase in grant income.

RESOLUTION

S Schinck / A Studley

That the Audit and Risk Committee:

- 1. note the Quarterly Financial Report to 30 September 2024.**
- 2. note the approved carry forward adjustments to the 2024/25 Annual Budget as contained within this report.**

CARRIED

9.2 Review Significant Accounting & Reporting Issues

Nil to report.

9.3 Rates Debtor Management

Presenter:	N Rongong, Manager Business Services
Approved by:	M Chesworth, Director People & Corporate Performance
Purpose:	For noting

Attachment(s): Nil

Purpose

This report provides an update to the Audit and Risk Committee on the status and trend of rate collections and to inform the Committee of Council's prior approval to proceed with legal action to sell land to recover unpaid rates in accordance with Section 181 of the *Local Government Act 1989*.

RESOLUTION

S Schinck / C Nisbet

That the Audit and Risk Committee note the Rates Debtor Management Report.

CARRIED

9.4 Review of CEO Credit Card Expenditure

Presenter: N Rongong, Manager Business Services
Approved by: M Chesworth, Director People & Corporate Performance
Purpose: For noting
Attachment(s): Nil

Purpose

The purpose of this report is to provide the Audit and Risk Committee with a summary of the Chief Executive Officer's (CEO) and CEO's Executive Assistants (EA's) credit card transactions for noting.

RESOLUTION

S Schinck / Cr S McAulay

That the Audit and Risk Committee note that the Chief Executive Officer's and the CEO's Executive Assistants' credit card transactions for the period 1 July 2024 to 30 September 2024 have been appropriately approved.

CARRIED

9.5 Local Government Performance Reporting Framework

Presenter: A Vogt, Manager Governance & Risk
Approved by: M Chesworth, Director People & Corporate Performance
Purpose: For noting
Attachment(s): 1. Attachment 1 LGPRF 2023 2024 [9.5.1 - 9 pages]

Purpose

The 2023/24 Local Government Performance Reporting Framework (LGPRF) results are included in the 2023-24 Annual Report and will be published on the Know Your Council website in December 2024. The results indicate that Council is within expected ranges compared to other

Victorian Councils. While the results are within expected ranges, there are some variances from targets and last year's results across the animal management, health services, statutory planning, bin collection, rates and property value, and staff turnover measures. However, the results are within appetite and have not resulted in the need for risk mitigation plans.

RESOLUTION

S Schinck / Cr S McAulay

That the Audit and Risk Committee note the 2023/24 Local Government Performance Reporting Framework (LGPRF) results.

CARRIED

10 COMPLIANCE MANAGEMENT

10.1 Reports & Publications of Interest to Local Councils

Presenter: HLB Mann Judd

Purpose: For noting

Attachment(s): 1. Attachment 1 - Local Government - Recent Reports and Publications - November 2024 [**10.1.1** - 10 pages]

HLB Mann Judd will present this report.

RESOLUTION

S Schinck / C Nisbet

That the Audit and Risk Committee note the Recent Reports and Publications presented by HLB Mann Judd.

CARRIED

10.2 Public Interest Disclosure Report

Presenter: A Vogt, Manager Governance and Risk

Approved by: M Chesworth, Director People and Corporate Performance

Purpose: For noting

Attachment(s): 1. Attachment 1 - Public Interest Disclosures Policy 2023-03-01 (1) [**10.2.1** - 8 pages]

Purpose

Council is required under the *Public Interest Disclosures Act 2021* (Act) to support people who speak out about unethical or improper conduct and ensure that disclosures are properly assessed and investigated. There were no disclosures made since the last report to the Audit and Risk Committee in December 2023.

RESOLUTION

S Schinck / C Nisbet

That the Audit and Risk Committee note there were no public interest disclosures during the quarter.

CARRIED

10.3 Integrity Policies Review - CEO Employment & Remuneration Policy

Presenter	A Vogt, Manager Governance & Risk
Approved by	M Chesworth, Director People and Corporate Services
Purpose	For noting and discussion
Attachment(s)	<ol style="list-style-type: none">Attachment 1 - Review Policy CEO Employment and Remuneration Policy marked up [10.3.1 - 14 pages]Attachment 2 - Review CEO Employment and Remuneration Policy clean [10.3.2 - 13 pages]

Purpose

The current CEO Employment and Remuneration Policy was reviewed in December 2022 and is due to be reviewed every two years and within 6 months of a general election. Since the last review there have been no changes in legislation, standards or industry best practice that require substantive policy changes. However, the review has provided the opportunity to edit the policy to improve readability. Feedback from the Audit and Risk Committee is being sought prior to the reviewed policy being considered by the CEO Employment and Remuneration Committee and Council.

RESOLUTION

S Schinck / C Nisbet

That the Audit and Risk Committee reviewed the revised CEO Employment and Remuneration policy and had no feedback.

CARRIED

10.4 Procurement Framework Compliance

Presenter	A Vogt, Manager Governance and Risk
Approved by	M Chesworth, Director People and Corporate Performance
Purpose	For noting
Attachment(s)	<ol style="list-style-type: none">Attachment 1 - Procurement Exemptions Register [10.4.1 - 1 page]

Purpose

The purpose of this report is to present the Procurement Framework Compliance and procurement exemptions register to the Audit and Risk Committee for review and noting in accordance with section 4.3.4 of the Procurement Policy.

RESOLUTION

S Schinck / C Nisbet

That the Audit and Risk Committee note the Procurement Framework Compliance Report.

CARRIED

11 NEXT MEETING

11.1 Next Meeting

The meeting was closed at 4:15pm.

The next meeting of the Audit and Risk Committee is scheduled for 13 March 2025 at 3pm.

CONFIRMED THIS

CHAIRPERSON Steve Schinck