



Audit and Risk Committee Meeting

Minutes

Thursday 13 March 2025
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

There were no apologies or requests for leave of absence tendered.

Present:

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

In attendance:

Chief Executive Officer: L Bonazzi

Director People & Corporate Performance: M Chesworth

Manager Business Services: N Ronong

Manager Governance and Risk: A Vogt

Coordinator Integrity & Governance: N North-Vanner

HLB Mann Judd: K Kukreja, M Zenija Cifersone (Virtual)

RSD Audit: M Silva (Virtual)

Mayor: Cr D Gallagher

3 DISCLOSURE OF INTEREST OR CONFLICT OF INTEREST

Nil to report.

4 CONFIRMATION OF MINUTES

4.1 Confirmation of Minutes

Minutes of the 12 December 2024 Audit and Risk Committee Meeting.

RESOLUTION

A Studley / S Schinck

That Council receive and note the minutes of the Audit and Risk Committee Meeting held on 12 December 2024 enclosed in Attachment 4.1.1

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

Attachment(s) Nil

The Chief Executive Officer will present this at the meeting.

RESOLUTION

A Studley / S Schinck
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
Attachment(s)	Nil

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

- Emerging community discord and reliance on misinformation
- Insurance and management of DEECA assets
- New Emergency Services Volunteer Fund implications
- State Government job cut implications

RESOLUTION

S Schinck / A Studley
That the Audit and Risk Committee note the Chief Executive Officer's update.

CARRIED

7 RISK MANAGEMENT

7.1 Review of the Business Continuity Plan & Disaster Recovery Systems

Executive Summary

The purpose of this report is to provide the Audit and Risk Committee with an overview of the status of Council's Business Continuity Planning.

RESOLUTION

A Studley / S Schinck
That the Audit and Risk Committee note the revised Business Continuity Plan.

CARRIED

7.2 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 - Operational Risk Heatmap Report (out of appetite) Oct to Dec 2024 [7.2.1 - 7 pages] Attachment 2 - Risk Heatmap Report Oct to Dec 2024 [7.2.2 - 14 pages]

Executive Summary

This report provides an update on Council's risk monitoring, strategic and operational risk reviews, and consideration of emerging risks and includes a strategic risk heatmap report (Att 7.1.1) and an operational risk heatmap report (Att 7.1.2) for review and discussion. Council's strategic and operational risk management was reviewed by the Executive Risk Management Committee (ERMC), which met on 6 January 2025. The ERMC redrafted all six strategic risk statements to align with best practice, which now contain a condition and a consequence to clarify the risk driver and guide mitigation controls. The ERMC also reviewed the Strategic Risk Heatmap, including a review of the inherent, residual and target risk ratings and recommended a detailed Operational Risk Register review.

RESOLUTION

A Studley / S Schinck

That the Audit and Risk Committee note the Strategic Risk Report in Attachment 7.2.1 and the Operational Risk Report in Attachment 7.2.2.

CARRIED

8 AUDITS - INTERNAL

8.1 Review & Recommend Internal Audit Plan & Resourcing

Presenter	HLB Mann Judd – K Kukreja & M Zenija Cifersone
Approved by	M Chesworth, Director People and Corporate Performance
Purpose	For Discussion
Attachment(s)	<ol style="list-style-type: none"> Attachment 1 - Strategic Internal Audit Plan 2024 26 Focus 2025 Draft [8.1.1 - 15 pages]

HLB Mann Judd will present this report.

RESOLUTION

S Schinck / A Studley

That the Audit and Risk Committee discuss the Review & Recommended Internal Audit Plan & Resourcing for 2025 presented by HLB Mann Judd.

CARRIED

8.2 Review Internal Audit Reports & Management Responses

Presenter	HLB Mann Judd – K Kukreja & M Zenija Cifersone
Approved by	M Chesworth, Director People and Corporate Performance
Purpose	For noting
Attachment(s)	<ol style="list-style-type: none"> Attachment 1 - Review of Management of Assets Protection Practices - Final Report [8.2.1 - 22 pages] Attachment 2 - Follow Up Review of Agreed Actions from Previous Year's Internal Audit Reports – Final Report [8.2.2 - 15 pages]

This report will be presented by HLB Mann Judd.

RESOLUTION

S Schinck / A Studley

That the Audit and Risk Committee note the outcomes of the following internal audit reports:

- 1. Review of Management of Asset Protection Practices**
- 2. Follow-up Review of Agreed Actions from Previous Year's Internal Audit Reports**

CARRIED

8.3 Follow up Significant Issues Raised by Internal Audit

Nil to report.

8.4 Review Implementation of Previous Audit Actions

Presenter	A Vogt, Manager Governance and Risk
Approved by	M Chesworth, Director People & Corporate Performance
Purpose	For noting
Attachment(s)	<ol style="list-style-type: none"> Attachment 1 - Recommendations Summary Report - Q2 - Feb 2025 [8.4.1 - 10 pages]

Executive Summary

This report provides an update on the implementation of outstanding actions arising from internal audit recommendations. There were three actions completed during the reporting period leaving five open actions, and all five are on track for completion by the due date.

RESOLUTION

A Studley / S Schinck

That the Audit and Risk Committee note the Internal Audit Recommendations Summary Report – Quarter 2 – dated February 2025 (Attachment 8.4.1).

CARRIED

8.5 Review Scopes of Audits by HLB Mann Judd

Presenter	HLB Mann Judd
Approved by	M Chesworth, Director People and Corporate Performance
Purpose	For noting
Attachment(s)	1. Attachment 1 - Internal Audit HLB Judd Follow Up Review Report for management [8.5.1 - 16 pages]

This report will be presented by HLB Mann Judd.

This Item was removed from the Agenda in the meeting.

8.6 Committee to Meet with Internal Auditors

This item was not required by HLB Mann Judd and was removed from the Agenda during the meeting.

9 AUDITS - EXTERNAL

9.1 Review Auditors Proposed Scope & Approach

Presenter	RSD Audit – M Silva
Approved by	M Chesworth, Director People and Corporate Performance
Purpose	For noting
Attachment(s)	1. Attachment 1 - 2024-25 LG Audit Strategy Memorandum - MSC [9.1.1 - 25 pages]

This report will be presented by RSD Audit

RESOLUTION

S Schinck / A Studley
That the Audit and Risk Committee note the Murrindindi Shire Council Audit Strategy Memorandum as contained in Attachment 9.1.1

CARRIED

M Silva left meeting at 4:17pm

10 FINANCIAL AND PERFORMANCE

10.1 Review Quarterly Financial Statement

Presenter	N Rongong, Manager Business Services
Approved by	M Chesworth, Director People and Corporate Performance
Purpose	For noting
Attachment(s)	1. Attachment 1 - Management Statement December 2024 [10.1.1 - 4 pages]

Audit and Risk Committee
 Meeting

Executive Summary

This report was presented to Council at its meeting of 26 February 2025.

The report provides the quarterly financial report for the period ending 31 December 2024, including required budget adjustments since the September 2024 quarter.

Forecast revenue for the year has risen by \$12.29 million, whilst forecast expenditure has increased by \$10 million. The increases in revenue are driven by increases in operating grants of \$8.7 million, primarily related to flood recovery and \$2.7 million in capital grants, including the first instalment of \$1.2 million for the Eildon Key Worker Housing Project and \$696,000 for the Roads to Recovery program.

Additionally, user fees and charges have increased by \$430,000 for the Yea Saleyards and \$137,000 for Recycling and Waste Management.

There is a forecast increase in expenditure of \$9.3 million for materials and services, partially offsetting the grant funding, \$8.2 million of which is related to funded flood recovery and repair works.

Overall, with these adjustments the operating surplus is expected to increase from \$2.9 million to \$5.2 million, while the underlying result, which removes capital grants from the calculation, remains relatively unchanged, with an underlying deficit of \$5.5 million.

The Cash statement shows a forecast net decline in cash held of \$3.6 million, primarily due to the deferring of borrowing to the next financial year.

It is also noted that the revised budget figure for total unallocated cash in December was reduced from \$10.4 million to \$5 million. Again, this reduction primarily results from the deferral of \$3 million in interest-bearing loans and borrowings, as well as the establishment of a new reserve for Council's commitment to the Eildon Key Worker Housing Project. A further report on funding for the Eildon Key Worker Housing Project will be provided to Council in March 2025.

RESOLUTION

S Schinck / A Studley

That the Audit and Risk Committee note the quarterly financial report for the period ending 31 December 2024

CARRIED

10.2 Review Significant Accounting & Reporting Issues

Nil to report.

10.3 Review of CEO Credit Card Expenditure

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

Executive Summary

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

RESOLUTION

S Schinck / A Studley

That the Audit and Risk Committee note that the Chief Executive Officer's and the CEO's Executive Assistant's credit card transactions for the period 1 October 2024 to 31 December 2024 have been appropriately approved.

CARRIED

11 COMPLIANCE MANAGEMENT

11.1 Reports & Publications of Interest to Local Councils

Presenter	HLB Mann Judd
Approved by	M Chesworth, Director People and Corporate Performance
Purpose	For noting
Attachment(s)	1. Attachment 1 - Local Government - Recent Reports and Publications - February 2025 [11.1.1 - 11 pages]

HLB Mann Judd will present this report.

RESOLUTION

S Schinck / A Studley

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

CARRIED

11.2 Policy Register Review Report

Presenter	A Vogt, Manager Governance and Risk
Approved by	M Chesworth, Director People & Corporate Performance
Purpose	For noting
Attachment(s)	1. Attachment 1 - Council and Corporate Policy Register Feb 2025 [11.2.1 - 4 pages]

Executive Summary

This report provides an update on Council's Policy Register and indicates that there are 80 active policies and of those 44 are current and 36 are due for review. The introduction of a new Council and Corporate Policies Register has improved staff access to policies and has enabled greater monitoring and management of the policy life cycle. Governance & Risk is working on

improvements for capturing and analysing data to better inform the application of integrity policies and integrity risk.

RESOLUTION

S Schinck / A Studley

That the Audit and Risk Committee note the Policy Register Review Report.

CARRIED

12 COMMITTEE REPORTS

12.1 Audit & Risk Committee Biannual Report

Presenter	S Schinck, Chairperson of Audit and Risk Committee
Approved by	M Chesworth, Director People & Corporate Performance
Purpose	For noting
Attachment(s)	Nil

Executive Summary

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 period July to December 2024 and includes Committee findings and recommendations. The report was prepared by the Chairperson of Committee, Steve Schinck.

RESOLUTION

C Nisbet / A Studley

That the Audit and Risk Committee endorse the July to December 2024 Biannual Audit & Risk Committee Report for presentation to Council for noting.

CARRIED

13 NEXT MEETING

13.1 Next Meeting

The next meeting of the Audit and Risk Committee is scheduled for 8 May 2025 at 3pm

The meeting was closed at 4:35pm.

CONFIRMED THIS

CHAIRPERSON S Schinck