

12.1 Audit & Risk Committee Biannual Report

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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.

RECOMMENDATION

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

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. This biannual report covers the period July-December 2024 (including meetings on 19 September and 12 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

	Number of Meetings attended
Total number of meetings from 1 July to 31 December 2024	2
Mr Steve Schinck (Independent Member) Chair	2
Dr Craig Nisbet (Independent Member)	2
Mr Alan Studley (Independent Member)	2
Cr John Walsh (Council appointment)	1
Cr Sandice McAuley (Council appointment)	2

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 Financial Statements and Performance Statement for the 2023/24 financial year, subject to the review by the Victorian Auditor General's Office for the year ended 30 June 2024.
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 2023/24.
4. Reviewing the Chief Executive Officer (CEO) and the CEO's Executive Assistants credit card transactions
5. Noting the Internal Auditors Report on the Review of Project Management.
6. Reviewing Council's Risk Register including the Strategic Risk and Operational Risk Heatmaps
7. Noting the Internal Audit Plans for:
 - a. the Review of Asset Protection Practices IA Plan
 - b. the Review of Data Governance IA Plan Draft.

- c. the Review of Swimming Pool and Spa Registrations
- 8. Noting two Internal Audit Recommendations Summary reports.
- 9. Noting the Review & Recommend Internal Audit Plan & Resourcing
- 10. Noting two Chief Executive Officer's Questionnaire to Directors.
- 11. Noting two Chief Executive Officer's Updates
- 12. Noting Council's updated Fraud and Corruption Control Policy
- 13. Noting of two Quarterly Financial Reports.
- 14. Discussing the results of the Audit and Risk Committee's self-assessment survey
- 15. Noting the report on Council's Insurance Coverage & Claims Management
- 16. Noting the Report on CyberSecurity Framework and Incidents
- 17. Noting the Rates Debtor Management Report
- 18. Noting the 2023/24 Local Government Performance Reporting Framework (LGPRF) results.
- 19. Noting the revised CEO Employment and Remuneration policy
- 20. Noting the Procurement Framework Compliance Report
- 21. Reviewing the reports on Public Interest Disclosure
- 22. Noting the Policies and Plans that have been recently adopted by Council.

Council Plan/Strategies/Policies

This report supports the Council Plan 2021-2025 Transparency, Inclusion and Accountability strategy to "maintain transparent, inclusive and accountable governance practices".

Relevant Legislation

The *Local Government Act 2020* requires the Audit and Risk Committee to monitor and oversee policy compliance with the overarching governance principles and supporting principles.

Financial Implications and Risk

This report demonstrates the high level oversight provided by the Audit and Risk Committee concerning Council's management of financial and operational risks.

Conflict of Interest

There were no conflicts of interest declared by Council officers in relation to the matters contained in this report.

Community and Stakeholder Consultation

Community or stakeholder consultation was not applicable.