



Southern Grampians
SHIRE COUNCIL

Audit & Risk Committee Minutes

Ordinary Meeting
9 November 2021

Held at 1.30pm via
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 – Interim Chief Executive Officer
Ms Evelyn Arnold – Director Community & Corporate Services
Ms Belinda Johnson – Manager Finance

Minutes

Mrs Nadine Rhook – Executive Assistant – Director Community & Corporate Services

Guests

Ms Kathie Teasdale – RSD Audit
Mr Paul Harrison – RSD Audit
Ms Marg Scanlon – Director Infrastructure
Mr Jason Cay – Acting Manager Assets
Ms Sherie Bain – Regulatory Services Coordinator
Mr Jason Baker – Local Laws Team Leader
Ms Karly Saunders – Governance Coordinator
Mr Mike Shanahan – Health & Safety Coordinator
Ms Kara Winderlich – Risk Management Coordinator

Mr Densem, Mr Murphy, Ms Cunningham, Cr Robertson, Cr Henry, Ms Teasdale, Mr Harrison and Ms Rhook all joined the meeting at 1.25pm. Ms Rhook left the meeting at 1.30pm

2. Committee in Camera

The Chair welcomed Cr Helen Henry who has joined the Committee. Following introductions discussion focused on the internal audit process.

Ms Arnold and Ms Johnson entered the meeting and Mr Doyle and Ms Rhook re-entered the meeting at 1.45pm.

3. Welcome – Chair

The Chair welcomed all to the meeting with special welcome to Cr Helen Henry who has recently been nominated to the Committee. Mr Densem said he was looking forward to Ms Henry's input and insights. The Chair also thanked Cr Brown for her input over the recent period to the Committee, always very engaged and committed to the Committee's objectives and asked those present to pass on Mr Densem's regards.

4. Apologies

There were no apologies. Mr Chris Kol from McLaren Hunt, would not attend to present the VAGO papers, given these had been address at the previous meeting, in draft.

5. Conflicts of Interest

There following are standard potential conflicts, dependent upon the agenda contents:

- Mr Brian Densem – Chair of Glenelg Hopkins CMA Audit & Risk Committee
- Mr Mick Murphy – Wannan Water
- Ms Aisling Cunningham – Quality Manager of Western District Health Service

Crs Henry and Roberson confirmed a conflict in respect of Item 12.2 – Councillor Expenses

6. Confirmation of Minutes

Item 6.1 Confirmation of Minutes: Audit & Risk Committee Meeting – 2 September 2021

Author: Chair
Attachments: Audit & Risk Committee Meeting – 2 September 2021 Minutes

Minutes of the meeting held on 2 September 2021 have been circulated.

These unconfirmed minutes were presented to Council at the Ordinary Monthly Meeting held on Wednesday 13 October 2021.

RECOMMENDATION

That the Minutes of the Audit & Risk Committee meeting held on 2 September 2021 be confirmed as a correct record of business transacted.

Moved – Mr Murphy
Seconded – Cr Robertson

CARRIED

Item 6.2 Summary Table of Outstanding Matters

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: Summary Table of Outstanding Matters

RECOMMENDATION/ACTION

THAT this item be noted and items noted as “Close” be removed from the listing.

THAT Ms Johnson provide a report and summary of documents to the February ARC Meeting regarding the Quarry Rehabilitation with Boral Resources. Mr Murphy also endorsed Cr Robertson’s concerns and this needs to be closed out following a paper trail.

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/ACTION

THAT the Committee note the Progress of Current Actions.

THAT the Long Service Leave item be left on the External Audit Report to include Management comments with the new External Auditors – Crowe Audit Australia to deal with.

THAT the Committee record and acknowledge the work that the Executive have done to have items removed from this list. The Committee are appreciative of the efforts and the work carried out by the Team.

NOTED

Item 7.2 Final Management Letter & Closing Report

Author: Belinda Johnson – Manager Finance
Attachments: Draft Management Letter & Closing Report

RECOMMENDATION/ACTION

THAT the Committee acknowledge the Final Management Letter and Closing Report as presented.

THAT Ms Johnson confirm at the February ARC Meeting that the Final Management Letter and Closing Report have been received with no changes and if there are changes, circulate the updated documents to the Committee.

The Chair thanked Chris Kol and his team for all the work that they have provided as External Auditors. We wish them the best for the future.

NOTED

Item 7.3 Appointment of External Auditors 2021-2022

Author: Belinda Johnson - Manager Finance
Attachments: Nil

RECOMMENDATION

THAT the Committee note the appointment of External Auditor Partner, Cassandra Gravenall of Crowe Audit Australia for a 3 year period with an additional 3 year option commencing with the 30 June 2022 Audit.

NOTED

Item 7.4 VAGO Audit – Fraud Control over Local Government Grants

Author: Belinda Johnson – Manager Finance
Attachments: None

RECOMMENDATION/ACTION

THAT the Committee note the progress of this item.

THAT Mr Doyle provide feedback around the process for Grants, communication needs to be clearly defined to Council and the Community Groups applying. The process needs to have transparency and equity around how grants are being administered and how the process is followed. Council to also provide feedback to the Committee for the ARC February meeting.

NOTED

Item 8.1 Internal Audit Progress - Overall

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: Internal Audit Updates & Timeframes

RECOMMENDATION

THAT the Committee note the update of the Internal Audit Progress.

NOTED

Item 8.2 Progress Report of Internal Audit Actions (Interplan)

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: Interplan Reports - Various

RECOMMENDATION

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)

THAT Item 5.1.4.76 - ICT Physical Policies & Procedures — the presentation mentioned in the Interplan Report to be provided to Audit & Risk Committee at the February ARC Meeting along with the findings of this report. Also provide an update on the penetration testing. Manager Business System to present the item.

THAT Item 1.3.4.3 – Asset Management Framework – Summarised Asset Management Plans – Ms Scanlon provided an update to the Committee on this item. This item in Interplan will be updated accordingly for the February ARC Meeting.

NOTED

Ms Bain & Mr Barker entered the meeting at 2.19pm

Item 8.3a Internal Audit Progress – Local Laws – Final Report

Author: Sherie Bain – Regulatory Services Coordinator

Attachments: Local Laws – Final Report

RECOMMENDATION

THAT the Committee endorse the Local Laws – Final Report.

THAT the tasks outlined be entered into Interplan for monitoring and reporting.

Moved - Cr Robertson

Seconded - Mr Murphy

CARRIED

Ms Bain & Mr Barker left the meeting at 2.38pm

Ms Scanlon and Mr Cay entered the meeting at 2.38pm

Item 8.3b Internal Audit Progress – Road Asset Management – Final Report

Author: Marg Scanlon – Director Shire Infrastructure

Attachments: Road Asset Management – Final Report

RECOMMENDATION

THAT the Committee endorse the Road Asset Management – Final Report.

THAT the tasks outlined be entered into Interplan for monitoring and reporting.

Moved - Mr Murphy

Seconded - Cr Robertson

CARRIED

Item 8.4 Internal Audit - Draft Scopes – 1. Asset Management Framework, 2. Climate Change & 3. Child Safe Standards

Author: RSD Audit

Attachments: 1. Asset Management Framework, 2. Climate Change & 3. Child Safe Standards

RECOMMENDATION

THAT the Committee endorse the draft scopes for Asset Management Framework, Climate Change and Child Safe Standards.

THAT RSD Audit, as part of this audit, include recommendations with reference to best practice and existing guidelines.

Moved - Cr Henry
Seconded – Mr Murphy

CARRIED

Mr Cay left the meeting at 2.54pm. Mr Harrison left the meeting at 2.58pm

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 this report to be a standing item for each meeting and include a quarterly report including a graph showing leave balances at the end of each quarter and recording the number of staff have leave plans in place to the manage risk.

NOTED

Item 8.2 ICT Physical Policies & Procedures – Item 5.1.4.76 was revisited for Ms Scanlon to provide an update.

Cr Henry left the meeting at 3.10pm. Ms Scanlon left the meeting at 3.11pm. Ms Saunders entered the meeting at 3.12pm.

Item 10.1 Implementation of Local Government Act

Author: Karly Saunders, Governance Coordinator
Attachments: Local Government Act 2020 Project Plan

RECOMMENDATION

THAT this item be noted.

NOTED

Item 10.2 Compliance Framework

Author: Karly Saunders, Governance Coordinator
Attachments: Compliance Overview

RECOMMENDATION

THAT the Committee note the update on the Compliance Framework.

THAT the Committee note that there are no non-compliance items and there are 12 partial non-compliance items, however there are plans in place to have these addressed.

NOTED

Ms Saunders presented Item 12.2 – Councillor Expenses Quarterly Report next. Cr Henry re-entered the meeting at 3.22pm

Item 10.3 Integrated Strategic Planning & Reporting Framework

Author: Belinda Johnson, Manager Finance

Attachments: None

RECOMMENDATION

THAT the Committee note the update on the Integrated Strategic Planning & Reporting Framework.

NOTED

Item 10.4 Review Council's Procurement Policy

Author: Belinda Johnson, Manager Finance

Attachments: Nil

RECOMMENDATION

THAT the Committee note the timeline for the development of a revised Procurement Policy.

NOTED

Item 10.5 Audit & Risk Committee – Local Government Act 2020 Requirements

Author: Evelyn Arnold, Director Community & Corporate Services

Attachments: Audit & Risk Committee Charter

RECOMMENDATION

THAT the Committee note the requirements and provide feedback on any key areas they would like to be included in these reports.

THAT the requirements of the LGA 2020 need to be incorporated in the ARC Charter and the Committee self-assessment be carried out.

THAT Mr Densem provide a Self-Assessment template to Ms Arnold, to be brought back to the Committee for feedback at the February ARC Meeting.

NOTED

Mr Shanahan entered the meeting at 3.48pm

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 11.2 Brown Street Building Flood – January 2021

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: Nil

RECOMMENDATION

THAT the Committee acknowledge the update provided by Ms Arnold.

NOTED

Mr Shanahan left the meeting and Ms Winderlich entered the meeting at 3.35pm

Item 11.3 Review Strategic Risk Register & Action Plan

Author: Kara Winderlich, Risk Management Coordinator
Attachments: SGSC Risk Register

RECOMMENDATION

THAT the Committee accept the attached report for noting.

THAT our Risk Appetite is reviewed and endorsed annually.

NOTED

Item 11.4 Business Continuity Plan & Sub Plans

Author: Kara Winderlich – Risk Management Coordinator
Attachments: Nil

RECOMMENDATION/ACTION

THAT the Committee note the following update of the Southern Grampians Shire Council (SGSC) Business Continuity Plan (BCP) testing schedule.

NOTED

Ms Winderlich left the meeting at 3.59pm

Item 11.5 MAV Workcover Claim

Author: Evelyn Arnold, Director Community & Corporate Services
Attachments: None

RECOMMENDATION

THAT the Committee note the verbal update.

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: Karly Saunders, Governance Coordinator
Attachments: Councillor Expenses - Quarterly Report – 1 July 2021 – 30 September 2021

RECOMMENDATION

THAT the Committee note the Councillor Expense Report as presented.

NOTED

Ms Saunders left the meeting at 3.22pm

Item 10.3 - Integrated Strategic Planning & Reporting Framework was presented next.

Item 13.1 Audit & Risk Committee – Annual Chair Report 2020/2021

Author: Brian Densem, ARC Chair
Attachments: Annual Chair Report 2020/2021

RECOMMENDATION/ACTION

THAT the Committee endorse the Audit & Risk Committee Annual Chair Report of Operations for 2020-2021 and request it to be tabled at Council Briefing on Wednesday 8 December 2021 subject to the minor change to Ms Arnold's meeting attendance.

Moved – Mr Murphy
Seconded – Cr Robertson

CARRIED

Item 13.2 Audit & Risk Committee - Annual Plan 2022

Author: Evelyn Arnold – Director Community & Corporate Services
Attachments: Audit & Risk Committee - Annual Plan 2022

RECOMMENDATION

THAT the Committee endorse the Audit & Risk Committee 2022 Annual Plan and Schedule of meeting dates as presented.

THAT the annual review of Risk Appetite under Strategic Risk Register be added to the Annual Plan 2022.

Moved – Cr Robertson
Seconded – Cr Henry

CARRIED

15. Next Meeting

The next quarterly meeting is scheduled for 15 February 2022.

The Chair wished everyone a Merry Christmas and festive season and thanked all members for their input and preparedness and the management and staff for their transparency throughout the year.

Looking forward to working with everyone next year.

Meeting closed at 4.10pm