



Southern Grampians
SHIRE COUNCIL

Audit & Risk Committee Minutes

Ordinary Meeting
15 November 2022

held at 1.30pm in
Martin J Hynes Auditorium/Teams

1. Attendance

Members

Mr Brian Densem - Chair
Mr Michael Murphy OAM
Ms Aisling Cunningham
Cr David Robertson (Mayor)
Cr Helen Henry (Deputy Mayor)

Officers

Mr Tony Doyle – Chief Executive Officer
Mr Kevin Leddin – Acting Director Community & Corporate Services
Ms Tahlia Homes – Manager Organisational Development
Mr Jason Cay – Acting Financial Sustainability Coordinator

Minutes

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

Guests

Ms Cassandra Gravenall – Crowe Audit Australia
Ms Kathie Teasdale – RSD Audit
Mr Paul Harrison – RSD Audit
Mr Mike Shanahan – Health & Safety Coordinator
Ms Marg Scanlon – Director Infrastructure & Sustainability

Mr Densem, Ms Cunningham, Cr Robertson, Cr Henry entered the meeting in person and Ms Teasdale and Ms Gravenall joined the meeting virtually at 1.30pm.

2. Committee in Camera

The Committee and Auditors discussed the status of their work and engagement with the Council officers.

Mr Doyle, Mr Leddin, Mr Cay and Ms Rhook all joined the meeting in person at 1.43pm.

3. Welcome – Chair

The Chair welcomed everyone to the meeting and thanked everyone for their contribution and progress of work undertaken.

4. Apologies

Mr Mike Shanahan – Health & Safety Officer

5. Conflict of Interest

Mr Brian Densem – Chair of Glenelg Hopkins CMA Audit & Risk Committee
Mr Mick Murphy – Wannon Water
Ms Aisling Cunningham – Quality Manager of Western District Health Service
Cr David Robertson – Item 12.1 – Councillor Expenses
Cr Helen Henry – Item 12.1 – Councillor Expenses

6. Confirmation of Minutes

The minutes of the meeting held on 13 September 2022 have been circulated.

These unconfirmed minutes were presented to Council at the Ordinary Monthly Meeting held on Wednesday 12 October 2022.

RECOMMENDATION

That the Minutes of the Ordinary Meeting of the Audit & Risk Committee held on 13 September 2022 be confirmed as a correct record of business transacted.

Moved: Cr Henry

Seconded: Cr Robertson

CARRIED

Item 6.2 Governance & Risk Management Disclosures

Author: Tony Doyle, Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That the Committee note the Internal Auditor and Chief Executive Officer responses to the questions asked by the Audit & Risk Committee Chair.

Chair to CEO:

- Are there any matters such as breaches of legislation, impending legal action, practices, or actual suspected fraud occurrences that have occurred within the organisation since the last meeting that need to be brought to the attention of the Committee? **CEO's Answer - No**
- Are there any conflict of interest matters that need to be brought to the attention of the Committee? **CEO's Answer - No**

Ms Homes entered the meeting virtually at 1.45pm

Item 6.3 Summary Table of Outstanding Matters

Author: Kevin Leddin, A/Director Community & Corporate Services

Attachments: Summary Table of Outstanding Matters

RECOMMENDATION/ACTION

THAT this item be noted and items with "Closed" status be removed from the listing.

THAT the Executive Summary in this report be updated.

NOTED

Item 7.1 External Audit - Progress Report of Current Actions

Author: Jason Cay – Acting Financial Sustainability Coordinator
Attachments: Progress Report of Current Actions - External Audit

RECOMMENDATION

THAT the Committee note the Progress of Current Actions.

THAT the item for Impairment Assessment have a specific end date for completion of the Condition Asset - Impairments. Need to include the formal/written process before completion.

THAT Mr Cay update the spreadsheet to have a specific date in Revised Resolution Date column.

THAT a category column be included to advise Closed by Management subject to review.

NOTED

Item 7.2 Final Management Letter, Closing Report & Representation Letter

Author: Jason Cay – Acting Financial Sustainability Coordinator
Attachments: Final Management Letter, Closing Report & Representation Letter

RECOMMENDATION/ACTION

THAT the Committee note the Final Management Letter, Closing Report and Representation Letter as presented.

THAT an error was made in this report advising that two (2) items were added which in fact these were included in the Final Management Letter and Closing Report that were presented at the September meeting. Mr Cay confirmed that no changes had been made from the versions presented at the previous meeting.

THAT Ms Rhook circulates the Final Management Letter and Closing Report via email to the Committee.

NOTED

Item 8.1 Internal Audit Progress – Overall & Updated Internal Audit Plan 2022 - 2025

Author: Kevin Leddin, A/Director Community & Corporate Services
Attachments: Internal Audit Updates & Timeframes & Internal Audit Plan 2022 - 2025

RECOMMENDATION/ACTION

THAT the Committee note the update of the Internal Audit Plan 2022-2025.

THAT the wording be included in the ARC Report that an updated RSD Internal Audit Plan has also been included.

NOTED

Item 8.2 Progress Report of Internal Audit Actions (Interplan)

Author: Kevin Leddin – A/Director Community & Corporate Services

Attachments: Interplan Reports - Various

RECOMMENDATION/ACTION

THAT the Committee note the attached Internal Audit Interplan reports for the following:

- Data Security Protection (VPDSS)
- Data Analysis – Accounts Payable & Procurement

THAT the query around the missing ABN items is rectified as soon as possible from the Data Analysis – Accounts Payable & Procurement Report.

NOTED

Item 8.3 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 9.1 Excess Leave Update

Author: Tahlia Homes, Manager Organisational Development

Attachments: Nil

RECOMMENDATION

THAT the Committee note the update of the Excess Leave.

NOTED

Item 10.2 Compliance Framework

Author: Tania Quinn, Acting Governance Coordinator

Attachments: Compliance Overview

RECOMMENDATION

THAT the Committee note the update on the Compliance Framework.

THAT the Committee acknowledge the progress and work that has been done in the compliance area. They are very happy and have confidence this process is working.

NOTED

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 Integrated Strategic Planning & Reporting Framework

Author: Kevin Leddin, A/Director Community & Corporate Services
Attachments: None

RECOMMENDATION

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

THAT the organisation look at a proposal on reporting back to the Committee on some of the Strategic Planning & Reporting documents.

THAT the new Long Term Financial Plan be brought to the Committee for an update and to include Capital Works reporting against Grant milestones.

NOTED

Mr Cay left the meeting and Ms Scanlon entered the meeting in person at 2.26pm.

Item 11.3 Review Strategic Risk Register & Action Plan

Author: Dion Rhook, Acting Risk Management Coordinator
Attachments: SGSC Risk Register

RECOMMENDATION

THAT the Committee accept the attached report for noting.

THAT Council needs a Risk Management Framework for the organisation, the Committee need to be engaged in this, have a process that identifies the ownership of Strategic Risks and the Appetite that Council needs to own and regularly review.

THAT the CEO to complete a deep dive on the risk register and bring back to the Committee in May 2023.

THAT the CEO consult with the Mayor regarding risk training for Councillors and the space around it.

THAT the Chair and CEO meet to review the ARC Charter against the Annual Plan.

NOTED

Item 11.4 Evaluation of Emerging Risk – Circular Economy (Waste Reduction and Recycling) Act 2021

Author: Marg Scanlon, Director Infrastructure and Sustainability
Attachments: Nil

RECOMMENDATION

THAT the Committee note this discussion paper relating to the Circular Economy (Waste Reduction and Recycling) Act 2021 and possible implications for the Southern Grampians Shire.

NOTED

Ms Scanlon provided an update regarding the Flood and funding proposal – update under Item 13 – Other Business.

Item 12.1 Councillor Expenses Quarterly Report

Author: Tania Quinn, Acting Governance Coordinator
Attachments: Councillor Expenses - Quarterly Report – 1 July 2022 – 30 September 2022

RECOMMENDATION

THAT the Committee note the Councillor Expense Report as presented.

THAT the travel amount in Cr Robertson Councillor Expenses be investigated – should be noted as accommodation.

NOTED

Item 12.2 Audit & Risk Committee – Annual Chair Report 2021/2022

Author: Brian Densem, ARC Chair
Attachments: Annual Chair Report 2021/2022

RECOMMENDATION

THAT the Committee endorse the Audit & Risk Committee Annual Chair Report of Operations for 2021/2022 and request it to be tabled at Council Briefing on Wednesday 14 December 2022.

THAT the word 'Board' within the report be updated to 'Committee'.

NOTED

Item 12.3 Audit & Risk Committee - Annual Plan 2023

Author: Kevin Leddin – A/Director Community & Corporate Services

Attachments: Audit & Risk Committee - Annual Plan 2023

RECOMMENDATION

THAT the Committee endorse the Audit & Risk Committee - Annual Plan 2023 and Schedule of meeting dates as presented.

THAT the Chair and CEO will review the ARC Charter and the Annual Plan 2023. Bring a revised plan back to the February 2023 meeting.

THAT an item for New Independent Members be added into the Annual Plan 2023.

Mr Leddin updated the Committee that there will be an Expression of Interest advertised in The Hamilton Spectator and on the SGSC website. The new independent members will have their terms staggered – two (2) and three (3) years. The fees have been reviewed and recommended by Council to be increased.

NOTED

13. Other Items

Ms Scanlon provided an update to the Committee regarding the flood that occurred on 16 October 2022, Council has met with all residents that have been affected. Council has also mapped the hotspots and residents have provided photos, video etc. to provide to EMV to receive funding. The Council has now been listed as an impacted Council, but that does not guarantee funding. There is a 4-stage process before receiving funding. We need to collect data and submit along with a cost estimate for assessments that includes consultants. Malcolm Styles is assisting Council with this. Estimated costs for rectification works assessed as around \$3m - \$4m.

Ms Scanlon left the meeting at 2.45pm.

14. Next Meeting

The next quarterly meeting is scheduled for 14 February 2023.

The Chair wished everyone a Merry Christmas and Happy New Year, will see everyone at the February meeting.

Meeting closed at 3.08pm.