



# MINUTES

Greater Shepparton City Council

## AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

3:00PM, Wednesday 14 February 2024

Virtually

### COMMITTEE MEMBERS

Mr Goran Mitrevski (Chair)

Cr Shane Sali (Mayor)

Cr Anthony Brophy

Mr Daniel Butel

Mr Stephen Coates

Mr Andrew Johnson

### VISION

#### GREATER SHEPPARTON, GREATER FUTURE

A thriving economy in the foodbowl of Victoria with excellent lifestyles, innovative agriculture a diverse community and abundant opportunities

**MINUTES**  
for the  
**AUDIT AND RISK MANAGEMENT COMMITTEE**  
held on  
**WEDNESDAY 14 FEBRUARY 2024 AT 3:00PM**

**CHAIR**  
**MR GORAN MITREVSKI**

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## Risk Matrix

### Risk Level Matrix Legend

Note: A number of reports in this agenda include a section on “risk management implications”. The following table shows the legend to the codes used in the reports.

Risk Matrix			Consequence				
			Negligible	Minor	Moderate	Major	Catastrophic
			1	2	3	4	5
Likelihood	Rare	1	LOW 1	LOW 2	LOW 3	LOW 4	MEDIUM 5
	Unlikely	2	LOW 2	LOW 4	MEDIUM 6	MEDIUM 8	HIGH 10
	Possible	3	LOW 3	MEDIUM 6	MEDIUM 9	HIGH 12	HIGH 15
	Likely	4	LOW 4	MEDIUM 8	HIGH 12	HIGH 15	EXTREME 20
	Almost Certain	5	MEDIUM 5	HIGH 10	HIGH 15	EXTREME 20	EXTREME 25

Low	1-4
Medium	5-9
High	10-16
Extreme	17-25

**Extreme**      **Intolerable** – Immediate action is required to mitigate this risk to an acceptable level. Event/Project/Activity is not to proceed without authorisation.

**High**          **Intolerable** – Attention is needed to treat risk.

**Medium**      **Variable** – May be willing to accept the risk in conjunction with monitoring and controls.

**Low**          **Tolerable** – Managed by routine procedures.

## Present

### Committee Members

Goran Mitrevski (Chair)  
Cr Shane Sali (Mayor)  
Cr Anthony Brophy  
Daniel Butel  
Stephen Coates  
Andrew Johnson

### Council Officers

Fiona Le Gassick - Chief Executive Officer  
Chris Teitzel - Director Corporate Services  
Rebecca Good - Manager Corporate Governance  
Karen Liversidge - Manager People & Development  
Claire Barnes - Manager Finance & Rates  
Hannah Shelton – Team Leader – Financial Analysis  
Marie Barbance - Team Leader Occupational Health & Safety  
Jodie Sessions - Team Leader Risk & Assurance  
Lisa Edwards - Official Minute Taker

### Internal Audit Representatives

Andrew Zavitanos - Crowe Australasia  
Mahesh Silva - RSD Audit  
Cranos Moyo – RSD Audit

## 1 Acknowledgement

We, Greater Shepparton City Council, acknowledge the Yorta Yorta Peoples of the land which now comprises Greater Shepparton, we pay our respect to their tribal elders, we celebrate their continuing culture and we acknowledge the memory of their ancestors.

## 2 Apologies

Nil received.

## 3 Declarations of Conflict of Interest

### **Disclosures of conflicts of interest in relation to advice provided in this report**

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers, delegates or contractors who have provided advice in relation to this agenda have declared a conflict of interest regarding the matter under consideration.

**Disclosure must occur immediately before the matter is considered or discussed.**

Nil received.

## 4 Welcome to new members

### 4.1.1 Welcome to new Committee Members

The Audit and Risk Management Committee would like to welcome the newly appointed Greater Shepparton City Council CEO Fiona Le Gassick, the newly appointed Deputy Mayor Cr Sam Spinks and Andrew Johnson who is the recently appointed independent member of the Audit and Risk Management Committee to their first meeting.

Committee members are invited to introduce themselves.

## 5 Confirmation of Minutes of Previous Meetings

**Moved by Stephen Coates**

**Seconded by Daniel Butel**

**That the minutes from the 8 November 2023 of the Audit and Risk Management Committee meeting as circulated, be confirmed.**

## 6 Officer Reports

### 6.1.1 Action Register Report – 6 April 2023

Author	Team Leader Risk & Assurance
Approved by	Director Corporate Services
Purpose	For Noting

#### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### Key Discussion Points

The Action Register report monitors actions assigned to officers from the Audit and Risk Management Committee (ARMC) meetings, providing transparency and oversight of the actionable items.

The Action Register status report allows the Committee to monitor the status of actions identified at ARMC meetings to ensure they are addressed and completed in a timely manner. Responsible Officers for each action will provide an update at the February meeting.

#### Discussions and Questions from the Committee

The Committee requested that the Charter be updated when required rather than once a year as is current practice.

The Committee queried if there were any risks around uninsured assets. Officer advised that Council has limited insurance coverage over our assets due to reduction of cover after recent flood event. Council is currently working with the insurance agency to see if the gap can be covered by parametric insurance coverage, but there is a concern this may be too expensive. A report will be provided to the Committee as soon as this matter is resolved.

The Committee requested an update on the Tree Management Audit. Officer reported that further to the update given in the November ARMC meeting the trees with a high risk have been monitored post flood event and following recent storm. Officer believes the audit has now been completed and action closed.

#### Actions Arising from the Committee Meeting

- Officer to follow up the Tree Management audit to ensure it has been completed and no risk has been identified.
- Officers to provide a regular update on the high-risk trees to the Committee.
- Officer to report to the Committee as soon as insurance coverage matter is resolved including a report on what risks remain due to reduction in coverage.

## 6.2.1 CEO Report

Author	Chief Executive Officer
Approved by	Director Corporate Services
Purpose	For Discussion

### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

### Key Discussion Points

The CEO provided an update on the key matters for the Committee's awareness for the month of February.

#### January 2024 Flood Event:

The flooding in January was initially predicted to reach high levels but was recorded at a lower-level post flood. An Incident Control Centre was initially stood up but was later stood down due to the lower levels. Sand bagging was initiated in some areas of the Municipality and some shared paths needed to be temporarily closed. Aquamoves, KidsTown, Botanical Gardens were also temporarily closed. Aquamoves remained closed until the 15th of January to allow for assessment of the adjacent levy bank. The Emergency Management team were congratulated for handling this event with professionalism and compassion including Geraldine who was acting CEO during the event. A lot that was learnt from the 2022 Flood event was utilised during the recent floods. Recommendations are currently being discussed following a review completed on our emergency response to these events.

#### Financial Pressures, Constraints and Considerations:

The 2024/25 budget is currently underway with a few things that will impact where we are currently situated. Historical events such as Covid and the 2022 flood emergency being some of them. The 2022 flood event will also be a factor although the total impact is still being assessed. The imposed rate cap of 2.75% announced by the Victorian Government in December 2023. Underpinning this decision was the State Government's drive to reduce pressures on household budgets. The anticipated impacts of rate capping are starting to be realised post its introduction in 2016. Council is also due to negotiate a new Enterprise Agreement this year, with a potential staff wage increase needing to be reflected in the 24/25 budget.

#### 2024 Councillor Elections and introduction of the Single Member Ward structure:

As an outcome of the State Government's Local Council Electoral Structure Review, Greater Shepparton City Council will be moving to a single member ward structure as part of the 2024 Councillor election process. Two models were suggested and Council is still waiting to hear which model will be introduced at the October 2024 election.



### Discussions and Questions from the Committee

The committee requested an update on the current waste tender. Officer replied saying that the submissions received were currently being assessed and the successful provider will be appointed at the April Council Meeting.

The Committee asked what concerns the community had on The Voice referendum vote and the new approach to Australia Day that Council took. Officers replied indicating there had been mixed feelings around the Australia Day events and that several letters and emails had been received. Various community groups were consulted prior to the decision and the perception was that a good balance of opinions was recorded. Council will continue to work with the community on this matter.

The Voice referendum was a passionate topic within our Municipality and Council is currently having discussions with our Indigenous community to see how they are feeling after the decision. A report will be provided once discussions have concluded.

The Committee requested information around what ancillary services Council currently offer. Officer advised that Council currently provide Child Care to families within the Municipality. The Committee requested that Council ensure they have assessed all risks to Council around providing this service.

### Actions Arising from the Committee Meeting

Nil.

### 6.3.1 OHS Report - 14 February 2024

Author	Manager People and Development
Approved by	Director Corporate Services
Purpose	For Noting

#### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### Key Discussion Points

The OHS and Work Cover report is presented to the ARMC to provide an overview of activities that have occurred within Greater Shepparton City Council between July 2023 and December 2023.

The figures for 2023 show a noticeable decrease in incidents reported. This could be explained as either a decrease in actual reporting or an increase in safety awareness. The lack of WorkCover claims seems to suggest an increase of safety awareness due to the current safe work systems being in place.

The increased reporting of Driving Vehicle incidents is due to concerns from School Crossing Supervisors reporting dangerous drivers in and around schools. There has also been an increase in harassment and verbal abuse from itinerant members of the public towards staff working in the CBD and Parks. Abuse and threats towards Community Rangers who have seized animals continues to be a risk.

Actions have been put in place to provide health monitoring for those staff members involved in cutting concrete and their exposure to crystalline silica.

220 Drug and Alcohol Tests have been completed between July 2023 and December 2023. Of the 220 tests completed in the past six months three have returned an initial Non-negative result, meaning traces of a particular drug has shown up in the employees system. A secondary test has then been sent to a Laboratory which has returned a Positive result for one individual, and a negative result for two individuals. There have been nil positive alcohol tests.

GSCC changed its Work Cover provider in October from EML to Gallagher Bassett, due to a decrease in proactive claim management from EML, leading to increased medical and claims costs which has significantly affected our premium for the next three years. The claims that will have an impact on the next premium include a staff member who has returned to work but has also taken a compensation payment, two staff members with little to no expected return to work ability, and a past employee who left Council in 1995 who is now claiming impairment benefits due to long term exposure to loud noise. Unfortunately, moderate estimates of the next premium are in the region of \$1,200,000.

### Discussions and Questions from the Committee

The Committee highlighted the data on the decrease in incidents reported. Officer advised that the reports are broken down into Directorate to monitor any trends, and to deduce why there are none or minimal incidents reported in a particular area.

The Committee asked what disciplinary actions were imposed on the staff member that returned a positive drug test. Officer advised that the staff member had been terminated.

The Committee asked for clarification on the terminology recorded on page 46 of the report. The officer explained that NWR translated to non-work-related injuries and the WR translated to work related injuries. Officer reported that since the date of the last report there had been no significant workplace incidences reported.

### Actions Arising from the Committee Meeting

- Data from the Office of the CEO to be recorded separately in future OH&S reports.

### 6.4.1 2023 / 2024 Draft Audit Strategy

Author	Manager Finance and Rates
Approved by	Director Corporate Services
Purpose	For Noting

#### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

The Draft Audit Strategy Memorandum is presented to the Audit and Risk Management Committee for noting.

#### Key Discussion Points

Mr Silva provided an overview of the Audit Strategy, noting the structure is the same as previous years.

An overview of key risks was provided. Mr Silva noted landfill provision as a new risk due to major movements in prior years and the complexity of transactions. The impact of the floods is included due to 2022/23 impact and ongoing events.

#### Discussions and Questions from the Committee

The Committee queried if the landfill provision calculation is completed in house or externally. Noting it's not new for us, do officers foresee any issues. Officers confirmed the provision calculation is undertaken in house in consultation with waste team managing the rehabilitation. No issues anticipated, though do note the discount and index rates used are always an area of focus.

The Committee queried whether the team are on track for the audit and asset revaluations. Officers confirmed the team are on track and much better situated than this time last year. Unit rates have been prepared by the Infrastructure team and are currently subject to review by Finance. Officers noted that year end audit is scheduled a week later than prior years, but the team will not push dates out the extra week, noting we need to be ready in advance as we have less time available on the other side for the completion of the Annual Report.

#### Actions Arising from the Committee Meeting

Nil.

## 6.4.2 Finance Report - November 2023 Monthly Report

Author	Team Leader - Financial Analysis
Approved by	Director Corporate Services
Purpose	For Noting

### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

### Key Discussion Points

Officers gave an overview of the monthly report, with monetary contributions, capital performance and rates receivables noted.

### Discussions and Questions from the Committee

The Committee queried how long DRFA claim assessments will take. Officers are unsure as assessors are dealing with an unprecedented volume of claims and continue to be pulled away every time another event happens. Finance team are being as responsive as possible to ensure no delay caused on our end as queries arise.

### Actions Arising from the Committee Meeting

Nil.

### 6.4.3 VAGO Performance Audit - Financial Management of Local Councils

Author	Manager Finance and Rates
Approved by	Director Corporate Services
Purpose	For Noting

#### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### Key Discussion Points

An overview of the Engagement Strategy was given in addition to an outline of audit activities to date.

#### Discussions and Questions from the Committee

The Committee requested to be provided with updates out of session as they arise.

#### Actions Arising from the Committee Meeting

- Provide Committee updates when received.

## 6.5.1 Operational Risk Report – High Risk

Author	Team Leader Risk & Assurance
Approved by	Director Corporate Services
Purpose	For Discussion

### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

### Key Discussion Points

The current High-Risk report is produced monthly and there has been no substantial change to the report presented at the November 2023 meeting. The high risk identified is a shared risk between Vic Police, CFA, EPA, Council, Department of Education & Training, GVW (Goulburn Valley Water), GMW (Goulburn Murray Water), and Goulburn Broken Catchment Management Authority (GBCMA). Council is comfortable that this risk is being reviewed and monitored regularly, providing assurance that the risk is being managed effectively, including regular meetings with other key agencies.

### Discussions and Questions from the Committee

The Committee asked for clarification around the Effectiveness of Controls rating of fair, and whether it should be changed to good. Officer advised that until we receive an update for the EPA Council is comfortable with the rating staying at fair. Regular meetings are being held to discuss what to do with this site. Unfortunately, this risk will sit on the register for a few more years until it is resolved.

The Committee agreed to receiving updates on this risk each quarter.

### Actions Arising from the Committee Meeting

Nil.

## 6.5.2 Insurance Claims Report - 1 July to 31 December 2023

### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

### Key Discussion Points

Statistics were provided on public liability, motor vehicle, Council property and pending public liability claims. Information was also provided on the December 2023 storm event.

### Discussions and Questions from the Committee

The Committee asked about the process for when a public liability claim was denied and whether there were any avenues for the claimant to take the decision further. Officer advised that the claim is sent to an assessor who then replies to the claimant. If the claimant wants to take it further, they will be asked to provide more evidence. If the claim is then denied for a second time, the claimant then needs to take their claim to a solicitor.

The Committee referred to the amount of motor vehicle claims and queried if these were at fault claims. Suggestion that driver training may need to be conducted if these are at fault claims. Officer advised that there were a combination of at fault and 3rd party incidences. Driver training would be difficult to administer as the decision would need to be made to offer it to all staff rather than singling out main offenders.

The Committee noted the cost for the property damage at the DRC but also noted there were no costs listed for the other properties. Officer advised that the costs were minimal so were not included in report.

The Committee asked what the process was for inspecting trees with a high-risk rating after storms. Officer advised that the process would be provided to the Committee for review.

### Actions Arising from the Committee Meeting

- Provide process for the inspecting of high-risk trees after a storm event.



### 6.5.3 Flood Insurance Update January 2024

Author Team Leader – Risk & Assurance  
 Approved by Director Corporate Services  
 Purpose For Discussion

#### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### Key Discussion Points

Greater Shepparton City Council sustained significant damage to a number of its facilities in the October 2022 flood event. This report provides an update on the progress of the insurance claim and associated flood affected facilities.

Council Officers, Marsh Pty Ltd and McLarens provide and receive regular updates in relation to the flood claim. This gives assurance to Council that the claim is being managed effectively with each situation and its complexities taking into account when agreeing to the best possible outcomes for Council and our community.

#### Discussions and Questions from the Committee

Nil.

#### Actions Arising from the Committee Meeting

Nil.

#### 6.5.4 Project Update

Author	Manager Projects Delivery
Approved by	Director Infrastructure
Purpose	For Noting

#### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### Key Discussion Points

Officer unavailable for presentation. Report deferred to next scheduled meeting.

#### Actions Arising from the Committee Meeting

- Report to be listed for consideration at May ARMC Meeting.

## 6.6.1 Public Interest Disclosure Report

Author	Team Leader Governance
Approved by	Director Corporate Services
Purpose	For Noting

### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

### Key Discussion Points

#### 2022/2023 Public Interest Disclosures

There were no Public Interest Disclosures received in the 2022/2023 reporting period.

#### 2023/2024 Public Interest Disclosures

To date, there is one Public Interest Disclosure that has been received by the Victorian Ombudsman in the 2023/2024 reporting period. Information was requested from Council to support this investigation, which has since concluded. No formal action was required; however the investigating officer has made several recommendations to improve Council procedures, particularly in relation to Conflict of Interest identification and disclosure.

### Discussions and Questions from the Committee

The Committee queried whether there is regular mandatory training provided to all staff on the public interest disclosure process. Officers advised that mandatory training is conducted for all staff every 2 years in addition to ad hoc requests.

The Committee requested a copy of the recommendations from IBAC and a copy of any changes made to the policies.

### Actions Arising from the Committee Meeting

- Officer to provide marked up version of changed policies.
- Officer to provide IBAC recommendation to the Committee if appropriate.

## 6.6.2 Gift Declarations Report

Author	Team Leader Governance
Approved by	Director Corporate Services
Purpose	For Noting

### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

### Key Discussion Points

A summary of the gifts disclosed during the 2022/2023 financial year was provided. A total of 86 gifts were received by Council officers during the reporting period with an average value of \$18. No disclosable gifts were received by Council officers during the reporting period.

### Discussions and Questions from the Committee

The Committee asked to be provided with this report at the end of each financial year with a suggestion that it be moved to the November meeting.

The Committee queried whether records are kept of gifts that are not accepted by staff members. Officer advised that records are not kept for these gifts only the gifts that are accepted.

The Committee suggested that a record is kept of the gifts that are refused as this may detect any issues of repeated offerings.

### Actions Arising from the Committee Meeting

- Update Annual Work Program to reflect change in Gift Disclosures report to be presented at November meeting.
- Consider keeping a record of gifts offered but not accepted.

## 6.7.1 Procurement Compliance

Author	Team Leader Procurement
Approved by	Director Corporate Services
Purpose	For Noting

### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

### Key Discussion Points

As procurement is a critical function of Council, the following reports are presented to the Audit and Risk Management Committee for review:

1. Purchase Orders raised after Invoice for the 2022/2023 Financial Year; and
2. Details of any non-compliance with public tendering requirements for the last financial year.

### Discussions and Questions from the Committee

The Committee queried the process for the report to be presented to the Executive on a quarterly basis and only for information. Officer explained that it was then up to the Director to address the issue with the relevant staff member and conduct further training if required.

The Committee queried whether there was a function within our reporting system to isolate the invoices paid before a purchase order was raised that pertain to emergency events only. Officer replied that we currently don't have that function available, but it is something that could be looked at for future upgrades of software.

The Committee requested a copy of the reviewed Procurement Policy.

The Committee suggested that the cost codes for purchase orders may be a way of isolating the emergency event purchase orders.

The Committee raised concerns regarding a 5% tolerance level as this could lead to fraud. Suggested that further training needs to be provided. Officers advised that ongoing training is conducted with offending officers.

The Committee asked what extent Council goes to when monitoring if we are approaching the \$200,000 threshold for a supplier. Officer advised that this is monitored by the procurement team and if the threshold is getting close then staff are encouraged to go out to tender.

The Committee enquired as to whether all invoices are paid via a purchase order and is there a danger of self-approval of purchase orders. Officer explained that unless an invoice is paid via a credit card a purchase order is used for payment. Council's purchase order system has no provisions for self-approval, all purchase orders are elevated to another staff member.

The Committee asked what the process was if an invoice comes in at a higher cost than the purchase order. Officer responded explaining that Council's accounts team send the purchase order back for re approval and an explanation is provided by the responsible officer.

The Committee asked for an explanation as to why the Corporate Services Directorate had a percentage rate of 20.51 for November 2022.

Officer explained that any invoices that came to Council for the October 2022 floods were raised by a staff member in the Risk and Assurance team.

#### **Actions Arising from the Committee Meeting**

- Provide a copy of the marked-up Council procurement Policy.
- Investigate the cost codes as a way of isolating purchase orders for emergency events.

## 7 Internal Audit Reports

### 7.1.1 Outstanding Audit Recommendations Report

Author	Team Leader – Risk & Assurance
Approved by	Director Corporate Services
Purpose	For Discussion

#### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### Key Discussion Points

The purpose of this report is to provide the Committee with oversight of the timeliness of which audit recommendations are completed within the agreed time frames.

At present, Council does not have any overdue audit recommendations, however, it does have several outstanding items to action. These all relate to the Public Participation and Community Engagement audit.

#### Discussions and Questions from the Committee

The Committee queried why training had still not been provided to improve risk awareness amongst staff and why the extension was not in the same time frame as originally set. Officer advised that the Risk Management Framework had to be developed and adopted, then a Risk Management Operation Policy created prior to delivering training. The policy is currently in draft, and a final version and the training should be completed by April/May 2024.

The Committee queried why the Community Engagement Policy was still showing as going to the November Council Meeting and had not been updated. Officer advised that the Marketing and Communications team had staff shortages, so an update had not been provided. This will be updated by 29 February 2024.

The Committee queried whether the Communications and Engagement position had been filled. Officer advised that as to date it has not been filled and Council had engaged a contractor to come in 3 days a week to fulfil the role until such a time that a permanent staff member could be employed.

The Committee observed that a lot of the recommendations were due to be completed in the same time frame and queried whether this would be possible. Officer replied stating that they will be implemented and a follow up would be occurring to check on the progress.

#### Actions Arising from the Committee Meeting

- Officer to follow up on outstanding actions for Marketing and Communications Department.

## 6.2.1 Curios Eyes Report – October to December 2023

Author	Team Leader Risk & Assurance
Approved by	Director Corporate Services
Purpose	For Noting

### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

### Key Discussion Points

The Publications of Interest report provides the Audit and Risk Management Committee (Committee) an overview on topical issues that are specific to the local government sector.

The report also identifies audits that are being undertaken by other authorities such as VAGO (Victorian Auditor-General's Office), the Ombudsman, etc.

This report is presented by Council's internal auditors, Crowe Australasia.

### Discussions and Questions from the Committee

The Committee thanked Andrew for a great report and said the format was easy to read and understand.

### Actions Arising from the Committee Meeting

Nil.



## 8 ARMC Planning and Reporting

### 8.1.1 Annual Work Program 2024

Author	Team Leader Risk and Assurance
Approved by	Director Corporate Services
Purpose	For Noting

#### Disclosures of Conflict of Interest in Relation to this Report

Under section 130 of the *Local Government Act 2020* officers, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### Key Discussion Points

The purpose of the Annual Work Program is to assist the Audit and Risk Management Committee and Council Officers with identifying when reports are due to be presented.

Council officers are committed to the delivery of timely and accurate information to the Committee, however this program may be subject to slight changes, as it is dependent on the availability of Council Officers to present their reports.

The few minor changes were presented.

#### Discussions and Questions from the Committee

Nil.

#### Actions Arising from the Committee Meeting

- Update Annual Work program with previous mentioned changes.



## 9 General Business

Nil Received.

## 10 Date of Next Meeting

Next meeting: Wednesday, 8 May 2024 at 3pm via Microsoft Teams.

## 11 Meeting Closure

Meeting closed at 4.57pm.

I certify that these minutes of the 14 February 2024 Audit and Risk Management Committee (ARMC) meeting were confirmed at the ARMC meeting held on 8 May 2024.



# MINUTES

Greater Shepparton City Council

## AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

3:00PM, Wednesday 8 May 2024

Virtually

### COMMITTEE MEMBERS

Mr Goran Mitrevski (Chair)  
Cr Shane Sali (Mayor)  
Cr Anthony Brophy  
Mr Daniel Butel  
Mr Stephen Coates  
Mr Andrew Johnson

### VISION

#### GREATER SHEPPARTON, GREATER FUTURE

A thriving economy in the foodbowl of Victoria with excellent lifestyles, innovative agriculture a diverse community and abundant opportunities

**MINUTES**  
for the  
**AUDIT AND RISK MANAGEMENT COMMITTEE**  
held on  
**WEDNESDAY 8 MAY 2024 AT 3:00PM**

**CHAIR**  
**MR GORAN MITREVSKI**

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## Risk Matrix

### Risk Level Matrix Legend

Note: A number of reports in this agenda include a section on “risk management implications”. The following table shows the legend to the codes used in the reports.

Risk Matrix			Consequence				
			Negligible	Minor	Moderate	Major	Catastrophic
			1	2	3	4	5
Likelihood	Rare	1	LOW 1	LOW 2	LOW 3	LOW 4	MEDIUM 5
	Unlikely	2	LOW 2	LOW 4	MEDIUM 6	MEDIUM 8	HIGH 10
	Possible	3	LOW 3	MEDIUM 6	MEDIUM 9	HIGH 12	HIGH 15
	Likely	4	LOW 4	MEDIUM 8	HIGH 12	HIGH 15	EXTREME 20
	Almost Certain	5	MEDIUM 5	HIGH 10	HIGH 15	EXTREME 20	EXTREME 25

Low	1-4
Medium	5-9
High	10-16
Extreme	17-25

**Extreme**      **Intolerable** – Immediate action is required to mitigate this risk to an acceptable level. Event/Project/Activity is not to proceed without authorisation.

**High**          **Intolerable** – Attention is needed to treat risk.

**Medium**      **Variable** – May be willing to accept the risk in conjunction with monitoring and controls.

**Low**          **Tolerable** – Managed by routine procedures.

## Present

### Committee Members

- Goran Mitrevski (Chair)
- Daniel Butel
- Stephen Coates
- Andrew Johnson
- Cr Anthony Brophy

### Council Representatives

- Fiona Le Gassick - Chief Executive Council
- Chris Teitzel - Director Corporate Services
- Rebecca Good - Manager Corporate Governance
- Hannah Shelton - Acting Manager Finance & Rates
- Belinda Collins - Acting Manager Projects
- Sharon Terry - Manager Environment
- Jodie Sessions - Team Leader Risk & Assurance
- Liam Moller - Manager Resource Recovery
- Sonja King - Manager Communications and Engagement
- Fiona Stewart - Financial Accountant - Fixed Assets
- Katie Wallace - Team Leader Arboriculture, Parks and Sports Facilities
- Eric Heeps - Coordinator Arboriculture
- Lisa Edwards - Official Minute Taker
- Molly Willmott – Deputy Minute Taker

### Audit Representatives

- Andrew Zavitsanos - Crowe Australasia
- Mahesh Silva - RSD Audit

## 1 Acknowledgement

We, Greater Shepparton City Council, acknowledge the Yorta Yorta Peoples of the land which now comprises Greater Shepparton, we pay our respect to their tribal elders, we celebrate their continuing culture and we acknowledge the memory of their ancestors.

## 2 Apologies

An apology was received from Mayor Cr Shane Sali, Claire Barnes and Amir Mousa.

## 3 Declarations of Conflict of In

### **Disclosures of conflicts of interest in relation to advice provided in this report**

Under section 130 of the *Local Government Act 2020* Councils, delegates and persons engaged under a contract providing advice to Council must disclose any conflicts of interests.

No Council Councils, delegates or contractors who have provided advice in relation to this agenda have declared a conflict of interest regarding the matter under consideration.

**Disclosure must occur immediately before the matter is considered or discussed.**

Nil Received.

## 4 Confirmation of Minutes of Previous Meetings

**Moved by Stephen Coates  
Seconded by Andrew Johnson**

**That the minutes from the 14 February 2024 of the Audit and Risk Management Committee meeting as circulated, be confirmed.**



## 5 Council Reports

### 5.1 Action Register Report

#### 5.1.1 Action Register Report – 6 April 2023

##### Key Discussion Points

The Action Register report monitors actions assigned to Councils from the Audit and Risk Management Committee (ARMC) meetings, providing transparency and oversight of the actionable items.

The Action Register status report allows the Committee to monitor the status of actions identified at ARMC meetings to ensure they are addressed and completed in a timely manner.

Responsible Councils for each action will provide an update at the 8 May ARMC meeting. Outstanding actions have been reported from the meeting held on 14 February 2024, and previous meetings where outstanding items relate.

##### Discussions and Questions from the Committee

###### Insurance coverage

A meeting was held with Council's Insurers and the head of Marsh Alternative Solutions. The Insurers offered two different parametric options, but they did caution it would not be a cheap solution.

One option was to look at identifying flood gauges along the Goulburn River, then working with the insurance team to identify at what height Council would obtain a percentage of the claim paid out, then further what the upper limit of the claim would be. As the river reached higher levels it would then be assessed again, and a further percentage of the claim would be available.

The alternate option is a "flood flash" which involves a stick, fixed to the outside of any building that Council wants coverage on. When the stick registers that there has been flood inundation, this will trigger an alert to the Insurance Company and a payment would be processed within days.

The cost and model requires further work and will be presented to the Committee in due course.

###### Tree audit

Within the Tree Technical Manual there is a risk matrix which is used to categorise trees into level of risk. Based on the risk level assigned, inspection routines are identified and audits are conducted. A moderate risk tree audit is currently being undertaken which will bring Council up to date in all categories.

The Committee asked where the register is maintained. Council advised that all the tree data is kept in an asset register and each tree assessed is date stamped.

The Committee asked if Council was up to date within the register on the key risk trees and are there any high risks that the Committee should be aware of. Council stated that the high

risk trees audit was up to date. We received a request to audit the Victoria Lake Caravan Park as part of the flood event which has been assessed and all is fine.

The Committee asked how quickly Council assesses fallen trees whether there is a response plan in place for such incidents. Council replied that when notified, the tree will be assessed as well as the surrounding area as the damage may be more widespread than just the tree reported.

Ministerial Good Practice Guidelines

The Committee queried the waste tax mentioned in the Guidelines. A formal question will be formulated for response.

Chris advised that the Ministerial Guidelines have been delayed by 12 months.

#### **Actions Arising from the Committee Meeting**

- The Committee Chair to formulate a question around the waste tax mentioned in the Ministerial Guidelines.

## 5.2 CEO

### 5.2.1 CEO Report

#### Key Discussion Points

Key matters for the Committee's awareness for the month of May include:

- Contract Number 2343 - Waste Services Contract
- Local Government Service Rates and Charges - Minister's Good Practice Guidelines for their use.
- GV Link 2024/25 Budget Inclusion
- Federal Inquiry into Local Government Sustainability

The CEO report was taken as read.

#### Discussions and Questions from the Committee

##### Contract Number 2343 - Waste Services Contract

Council was originally involved in the Waste Services Contract process through the Hume Collective which was later abandoned, Council was required to undertake their own internal process.

This topic is included in the report due to it being a highly political topic within Council and to highlight the robust process that was undertaken by Council to award these contracts. The process was best practice from a procurement perspective with extensive consultation taking place.

The final details of the contract are currently being negotiated and should be finalised by the end of May.

##### Ministerial Good Practice Guidelines

There has been a lot of opposition to these guidelines by the sector, and the majority of local Councils, being regional and metro, have decided that they will not adopt the guidelines at this point in time. The reasons given for the reluctance included not being given enough time to consider, a lack of consultation and potential financial implications. The Minister has received a significant amount of feedback resulting in an implementation delay of 12 months.

##### GV Link project

A background on the project was shared with the Committee.

This project is being considered for inclusion in the 24/25 budget. Council have a constrained financial position and will need to look at borrowing funds to make this project a reality. Council is currently working with the Councillors to emphasise the importance of the project and what it will lead to in the future.

The draft budget has been circulated and the figures for this project were included. Prior to proceeding with the project, the budget needs to be adopted and funding secured from the Federal and State Government.

Council has secured \$8.2m from the State that can only be used for this project.

There is also an application under the Regional Precincts and Partnerships Program for \$22m, Council is hoping that this funding will be announced during the Federal Budget in the next couple of weeks.

Cr Brophy commented on the risk of Council going it alone for the Waste Contract and completing an in-house tender process rather than continuing with the collaborative tender process. The outcome has been of great benefit to Council and may be the biggest contract Council will award. The outcome has proven that the right decision was made to abandon the collaborative tender.

The Committee advised this project will be monitored going forward due to the scale of the financial implications of the project.

The Committee requested whether Council received any reported instances of fraud, whether any investigations were underway or any legal matters out of the ordinary that the Committee needed to be made aware of.

Council advised there had been one Public Interest Disclosure received, however, on initial investigation may not meet the relevant criteria to constitute a reportable disclosure. Further information will be provided to the Committee once an investigation has concluded.

#### **Actions Arising from the Committee Meeting**

- Nil.

### 5.3 Finance

#### 5.3.1 2023/2024 Draft Interim Management Letter

##### Key Discussion Points

The 2023/2024 interim audit took place on 11 and 12 April 2024 per the approved Audit Strategy. The purpose of this report is to present the 2023/2024 interim audit draft management letter.

Report taken as read.

##### Discussions and Questions from the Committee

The Audit identified one low risk item in relation to the Business Continuity Plan. This was updated and viewed in June 2023 but has not been tested to see how it may impact services. The audit provided a recommendation to review and test on an annual basis to make sure the process works well.

VAGO advised there has been some standard additional points that need to be communicated to all Councils. These included:

- the annual financial reporting process
- the asset valuation and finance team briefing
- the asset valuation and Audit and Risk Committee oversight
- open internal control weakness and financial reporting issues

The above recommendations will be elaborated on in the new Interim Letter in the next weeks and will be distributed to the Committee as an updated letter. These points are not specific to the Greater Shepparton City Council and they are being communicated to all Councils.

The Committee asked if there would be any additional recommendations or whether it would only be the format and contents of the report that will change. Council confirmed that it will just be the findings in relation to the 22/23 report and some recommendations.

The Committee suggested that in reference to the Business Continuity Plan, there would need to be a scenario created to test the process. Council advised that there has already been two actual events since then, being the pandemic and the 2022 floods.

The reason the testing was deferred was due to a high turnover of staff, therefore Council chose to run a training session. Testing will be conducted later this year.

##### Actions Arising from the Committee Meeting

- Nil

## 5.3.2 2023/2024 Asset Valuation Report

### Key Discussion Points

Every three years Greater Shepparton City Council (Council) conducts formal reviews of valuations and useful lives of its assets. Fair value assessments are undertaken in other years to establish whether a formal review and revaluation is required.

Report taken as read.

### Discussions and Questions from the Committee

The valuation of assets has a high inherent operational risk, but when the controls that are in place are taken into account this reduces that risk to medium. Council's valuation process is subject to a high level of review and scrutiny, and requires the approval of the Manager and the Executive Leadership Team.

The most material movement that has taken place has been in the following areas:

- Drainage is up by \$5.9mill due to an increase in table drains and pipes.
- Roads is up by \$25m overall
- Road and pedestrian bridges are due for re-evaluation. A consultant has been engaged but at the time of preparing this report Council didn't have the full set of data. It has since been received and Council are currently evaluating this and will provide an update at the next ARMC meeting.

The Committee queried if the delay in the valuations would affect the timing of the external audit. Council advised that the person engaged to do the valuations had ceased trading but were happy to provide Council with the report. Council advised that this has been made a high priority to ensure the report is ready in time for the commencement of the external audit.

The Committee raised the risk regarding the fact that the valuer had ceased trading.

Council advised that the person that completed majority of the valuation work is now employed by Council.

### Actions Arising from the Committee Meeting

- Provide an update at the next ARMC meeting on the roads and pedestrian bridges.

### 5.3.3 Finance Monthly Report - March 2024

#### Key Discussion Points

The Finance Report provides information on Greater Shepparton City Council's (Council's) financial performance compared to the Adopted Budget. This report incorporates information from the March 2024 Quarterly Report (as at 31 March 2024).

Report taken as read.

#### Discussions and Questions from the Committee

The 24/25 draft budget has been endorsed for public display and Council will be taking community feedback until the end of May, with the Budget to be adopted in June.

Council has been advised by VAGO that end of conduct briefs from the assurance audit, will be received at the end of May or early June. Once received, Council has 10 days to respond. The final report will be emailed to all Committee members.

The Committee queried the flood impact estimated claims on page 140. The claims lodged are \$12m with \$1.2m approved, and whether there is issue with the final \$10.9m still to be approved.

Council advised that due to the volume of claims being dealt with, there has been a delay. Council have submitted all the reports and claims on time and are anticipating the claims should be assessed soon. Council highlighted that there is risk associated with the remaining \$10.9m in terms of assessment and the quantum of what they don't approve. Council have reviewed claims approved and anticipate those outstanding to be approved.

#### Actions Arising from the Committee Meeting

- Email the final report to Committee members upon completion.

## 5.4 Risk Management and Insurance

### 5.4.1 High Operational Risk Report - April 2024

#### Key Discussion Points

As there were no changes to the report from previous meetings, it was agreed a discussion was unnecessary.

#### Discussions and Questions from the Committee

Nil.

#### Actions Arising from the Committee Meeting

- Nil.



## 5.4.2 Project Update

### Key Discussion Points

To comply with the Risk Management Policy, Council is required to present high and extreme project risks for major projects quarterly to the Audit and Risk Management Committee. At the last meeting Council provided an explanation on three major projects and the associated risks.

1. Flood Recovery Road Sealing Works
2. Margaret Street Pump Station
3. Aquamoves Landslip/Stabilisation Tom Collins Drive

Report taken as read.

### Discussions and Questions from the Committee

The flood recovery road sealing works project has now been completed.

The Margaret St pump station has portable pumps that can be brought in to cope if another flood event occurs.

The Aquamoves Landslip/Stabilisation Tom Collins Drive has also been completed.

The BMX Pavilion design project is underway, once this is completed Council will commence a tender process and start construction.

The Committee queried whether all the risks that were identified in flood recovery road sealing works have been met and closed off prior to it being deemed completed. Council will consult CAMMS to make sure all risks are closed off. The project can't be closed in CAMMS until all risks have been completed.

The Committee asked if CAMMS was a good system to use for managing projects. Council stated that changes had recently been made and now it is a great tool to use.

The Committee queried whether the only project with a high/extreme risk is the BMX Pavilion design. Council confirmed yes.

The Committee queried whether the risks shown in the spreadsheet were due to budget shortfalls and unsatisfactory stakeholder management, as these are rated as high/extreme risks. Council advised these risks were related to design and they should have been revised by now, if not then they need to be looked at. This project is now further along with design, and the project is now funded.

The Committee enquired if there were any other projects that carried high/extreme risks. Council said they would take it on notice and advise the Committee, but the understanding was that all projects are running well.

The Committee asked for the high/extreme risks to be identified in any future reports.



#### **Actions Arising from the Committee Meeting**

- CAMMS to be checked to ensure all risks are closed off in relation to Road Sealing works.
- Information requested on any projects that still have high/extreme risks associated.
- Ensure high/extreme project risks are summarised in future reports.

## 5.5 Environment

### 5.5.1 Climate Change Mitigating Actions Report

#### Key Discussion Points

Council summarised the report.

#### Discussions and Questions from the Committee

The Committee complimented Council on a very comprehensive report and confirmed that it demonstrates that Council are doing a lot of good things within this space. It's important for businesses to make themselves more resilient and the report demonstrates what Council is doing in that area.

#### Actions Arising from the Committee Meeting

- Nil.

## 5.6 Governance and Compliance

### 5.6.1 Councillor Expense Report

#### Key Discussion Points

Greater Shepparton City Council (Council) is required to reimburse Councillors for all reasonable out-of-pocket expenses incurred in the performance of their role as a Councillor. These claims are assessed and managed in accordance with Councils 'Councillor Expenses Policy'.

Pursuant to Section 40 of the Local Government Act (the Act) there is a requirement for Council to provide details of all reimbursements claimed by Councillors to the Audit and Risk Management Committee.

This report shows the financial data from the 22/23 financial year and year to date for the 23/24 year.

#### Discussions and Questions from the Committee

Council has a Councillor Expenses Policy which provides guidance on the type of expenses a Councillor can claim and it is limited to events or expenses occurred while performing their role as a Councillor. Majority of expenditure relates to meals, travel and child minding.

The Committee queried if the claims are subject to a review prior to reimbursement. Council advised that a form and receipts must be provided and that this is then matched to the calendars to make sure they reflect the reason stated for the claim.

Council advised this will be an annual report presented to the Committee after the budget had been submitted.

#### Actions Arising from the Committee Meeting

- Amend work plan.

## 6 Internal Audit Reports

### 6.1 Overdue Actions Review

#### 6.1.1 Overdue Audit Recommendations Report - April 2024

##### Key Discussion Points

The Audit and Risk Management Committee's Charter and Annual Work Program identifies that Council is to report on outstanding / overdue audit items, providing assurance the recommendations are being addressed and actioned by Council in a timely manner.

The purpose of this report is to provide the Committee with oversight of the timeliness of which audit recommendations are completed within the agreed timeframes

##### Discussions and Questions from the Committee

The Risk Management training will be rolled out in August and an Operational Policy is currently being drafted to support the framework and training.

The Committee asked for clarification around the risk training regime, and whether all new staff would receive induction and annual refresher training. Council advised that this training will be delivered to all staff, then additional training to specific departments if required.

The other outstanding actions relate to the Public Participation and Community Engagement. A complete restructure took place within the Communication and Engagement department and a new position was created to manage these recommendations. Council are in the final stages of recruitment for this position.

Council has designed documents and provided these to all staff via Council's staff intranet page to assist in community engagement or consultation.

A centralised register is being developed so Council can track and monitor, and understand the scheduling of consultation to avoid too many large projects going out at the same time.

The VAGO suggested Action Plan has been sent to a contractor for completion. The Community Engagement Training Framework is also being worked on by a contractor which can be delivered online and face to face as needed.

A template register and centralised scheduling tool will be completed upon the appointment of a new staff member.

Council currently use Content Manager as a central location system for processes, and the focus was now on ensuring this is updated regularly. Council advised that in the future case studies and learning's from people will be added to this folder.

Council advised that the majority of these items will be completed by the end of July but there will be a few items that will take a bit longer due to position vacancies

The Committee suggested that the outstanding action due dates be revised so they are on record and can be followed up according to the new time frames set. Council advised that these items had already been revised and no further extension can be recorded. These actions will remain overdue until they are completed.

Council confirmed that the end of July should see a lot of these actions completed.

#### **Actions Arising from the Committee Meeting**

- Nil.

## 6.2 Publications Report, Local Government and Publications

### 6.2.1 Curious Eyes Report – January to March 2024

#### Key Discussion Points

The Curious Eyes report provides the Audit and Risk Management Committee (Committee) an overview on topical issues that are specific to the local government sector. This report focuses on:

- Legislation including amendments to specific Acts
- Completed audits and investigations conducted by various agencies
- Victorian publications tabled within previous 3 months
- Victorian publications planned for the next 12 months
- Publications by other audit Councils tabled within the previous 3 months
- Better practice frameworks, guidelines and articles
- Recent Victorian media releases from Office of the Premier

The report also identifies audits that are being undertaken by other authorities such as:

- VAGO (Victorian Auditor-General's Office) and the
- Victorian Ombudsman (VO).

Report taken as read.

#### Discussions and Questions from the Committee

Council pointed out the Independent Commission against Corruption report in relation to managing conflicts of duties within the public sector. This may arise where Council has multiple roles therefore the information in this part of the report may be of interest to Council.

The MAV have put forward their Victorian Local Government Best Practice Procurement Guidelines which includes some good information on procurement and contract management.

The Commonwealth Fraud Prevention Centre have provided some further information in terms of their Fraud and Corruption Control Framework.

The Committee thanked Crowe Australasia for a comprehensive report which will assist with procurement and tendering. It will also assist with a Fraud Risk Assessment if Council intends on completing one.

#### Actions Arising from the Committee Meeting

- Nil

## 6.2.2 Assurance Mapping and Strategic Internal Audit Plan

### Key Discussion Points

Council engaged Crowe Australasia to undertake an assurance mapping assessment to identify gaps in previous audits conducted for Council.

The assessment was conducted in line with Council's five strategic risks:

1. SR 134 – Council not financially sustainable
2. SR 136 – Failure to provide adequate services and infrastructure to accommodate growth of the region
3. SR 137 – Council may fail to plan and implement actions for a changing climate
4. SR 142 – Council fails to effectively manage its emergency management functions; and
5. SR 151 – Sustainable asset management

The findings of the assurance mapping assessment will assist Council in identifying future audits as per the three-year Strategic Internal Audit Plan.

### Discussions and Questions from the Committee

#### Assurance Mapping

The assurance mapping report was designed to be an information gathering exercise in order for Council to obtain insight into assurance levels, in the context of strategic risks. The report highlights some opportunities for improvement/consideration for internal projects in the future.

The Audit Plan has captured some areas where work may be done, specifically around outgoing grants and sponsorship, and the rates management area.

Council referred to SR 136 – Failure to provide adequate services and infrastructure to accommodate growth of the region. There are a number of areas that haven't been looked at. Specifically around statutory functions, Council's property portfolio management and asset management.

The report also highlights a few areas in relation to climate change that may be worthwhile investigating. There is also some information in relation to cyber security and emergency management that could be considered in future audits.

The Committee sought clarification on the assessment of the three lines methodology. In particular, has the first line been documented in terms of what assurance Council is receiving. Council responded indicating the first line is involved in developing the controlled environment, the second and third line are involved in providing assurance over that controlled environment. So, when looking at the broader assurance mapping, line one is excluded.

#### Strategic Internal Audit Plan

There is a three year plan that was tabled for this meeting, currently we are in year one, noting that a few of the audits are currently in progress. An indicative scope has also been included of what a typical audit would look at. Planning meetings are held with Management to ensure the objectives of these audits are made clear.



Council provided a summary of what topics would be included in each financial year as recorded in the plan. An Internal Audit Universe has also been included which highlights the areas where there have been no internal audits conducted.

The plan is fluid so it can take into consideration any new and emerging risks that are presented and allows for adaptation.

#### **Actions Arising from the Committee Meeting**

- Nil

## 7 ARMC Planning and Reporting

### 7.1 Biannual Committee Chair report

#### 7.1.1 Committee Chair Biannual Activities Report - July to December 2023

##### Key Discussion Points

As detailed in the committee Charter, the Committee is an independent Advisory Committee to Council formed pursuant to Section 53 of the Local Government Act 2020. The Charter requires the Chair to report biannually to Council describing the activities of the Committee during the period, including the Committee's findings, recommendations, and agreed actions.

Report taken as read.

##### Discussions and Questions from the Committee

The Committee Chair provided a summary of the report.

##### Actions Arising from the Committee Meeting

- Nil

## 8 General Business

### 8.1.1 General Business

#### Discussions and Questions from the Committee

The Committee enquired if there was anything that listed what reports were due to be presented at each meeting throughout the year to help the Committee members and Council staff ensure full coverage of activities.

Council responded explaining the Annual Work Planner, which was included in the February meeting, is used to keep a track of when reports are due.

#### Actions Arising from the Committee Meeting

- Add the Annual Work planner to the agenda as a standing item.

## 9 Date of Next Meeting

**Next meeting:** 14 August 2024 at 3pm by Microsoft teams.

## 10 Meeting Closure

Meeting closed at 4.39pm.

I certify that these minutes of the 8 May 2024 Audit and Risk Management Committee confirmed at the ARMC meeting held on 14 August 2024.