

SOUTH GIPPSLAND SHIRE COUNCIL

# Audit & Risk Committee

Minutes

1 March 2022



# minutes

(draft)



*South Gippsland  
Shire Council*

*Come for the beauty, Stay for the lifestyle*

## AUDIT & RISK COMMITTEE

Committee will provide advice and recommendations to the Council, contributing to a systematic and disciplined approach to evaluating and improving the effectiveness of financial management, risk management, internal controls and governance processes within Council. This includes oversight responsibilities of monitoring, reviewing, endorsing and advising related to:

- Financial and Performance Reporting
- Strategic Risk Management
- Fraud prevention systems and control
- Maintenance of a sound internal control environment

Reviewing Council's performance with regard to compliance with its policies and legislative and regulatory requirements.

Ensuring that Council's policies and procedures comply with the overarching Governance Principles, the Local Government Act and regulations and any Ministerial Directions.

## Audit & Risk Committee Confidentiality

### Closed Information – not in public interest to be released

The Chief Executive Officer designates Audit & Risk Committee Minutes, Agendas and associated documents (attachments) as 'internal working documents – not to be released without prior Executive approval' in accordance with Council's *Public Transparency Policy (C75)* and is classified as closed (or confidential) information.

The grounds for designation have been made as the information is in draft form and may cause unnecessary confusion if released prior to any formal decision made, or provided by third party suppliers that have contractual rights associated with the information.

### Open (Public) Information – not confidential

The Chief Executive Officer designates that the following agenda items and related documents and associated attachments as open (public) information and are not confidential.

#### Agenda Items:

- Nil

### Minutes of the Previous Meeting

The Chief Executive Officer designates that the Minutes of this 1 March 2022 are confidential information until these Minutes are made public in the Agenda of the next Council Meeting, which is anticipated to be 16 March 2022.



Kerry Ellis  
Chief Executive Officer

## AUDIT & RISK COMMITTEE AGENDA

Date	1 March 2022	Location	Meeting Room 2 Council Chambers and via Video Conference
Time	9:00 AM		

Attendees Committee Members	Mr Chris Badger (Audit and Risk Committee Chair) Mr Homi Burjorjee Ms Jen Johanson Cr Sarah Gilligan
Ex-officio attendee	Cr Mohya Davies (Mayor)
Observer	Ms Prue Digby (Municipal Monitor)
Support Staff	Kerryn Ellis: CEO, Allison Jones: Director Performance & Innovation Renae Littlejohn: Director Economy and Community, Melissa Baker: Manager Financial Strategy, Michelle Jorgenson: Manager People and Culture, Allan Williams: Coordinator Procurement and Risk, Vera Burns, Risk Officer; Lynn Behmer, Risk Administration Officer
Internal Audit	Richmond, Sinnott and Delahunty (RSD): Kathie Teasdale
External Audit	Victorian Auditor General's Office: Jung Yau: Audit Manager, Local Government; Travis Derricott, Sector Director
Apologies	Nil
In-Camera Section	Committee to receive introduction and verbal update from VAGO Sector Director Travis Derricott.
Disclosure of Interest	All officers involved in the preparation of these reports in the Audit and Risk Committee Agenda have considered and determined that they do not have a conflict of interest in the matter.
Advise of known or potential breaches of legislation	Refer to In-Camera Section above

## TABLE OF CONTENTS

<b>1. IN CAMERA - CONFIDENTIAL AUDIT &amp; RISK REPORTS .....</b>	<b>7</b>
1.1. IN CAMERA COMMITTEE ONLY .....	7
1.2. IN CAMERA COMMITTEE WITH CEO .....	7
1.3. IN CAMERA INTERNAL AND EXTERNAL AUDITORS .....	7
<b>2. PRELIMINARY MATTERS.....</b>	<b>7</b>
2.1. WELCOME .....	7
2.2. ACKNOWLEDGEMENT OF COUNTRY .....	7
2.3. ATTENDEES .....	7
2.4. APOLOGIES.....	7
2.5. DECLARATION OF CONFLICTS OF INTEREST OR DUTIES.....	8
2.6. CONFIRMATION OF PREVIOUS MEETING MINUTES.....	9
2.7. ACTIONS ARISING FROM PREVIOUS MINUTES.....	10
2.8. ADVISE OF KNOWN OR POTENTIAL BREACHES OF LEGISLATION.....	11
<b>3. EXTERNAL AUDIT .....</b>	<b>12</b>
3.1. REVIEW AND ENDORSE SCOPE OF EXTERNAL AUDIT PLAN .....	12
<b>4. FINANCIAL AND PERFORMANCE REPORTING .....</b>	<b>14</b>
4.1. FINANCIAL PERFORMANCE REPORT - OCTOBER TO DECEMBER 2021 .....	14
4.2. LGPRF REPORTING & ORGANISATIONAL PERFORMANCE REPORT - JULY 2021 TO DECEMBER 2021.....	16
4.3. FINANCIAL YEAR END STRATEGY REPORT .....	18
<b>5. RISK MANAGEMENT .....</b>	<b>19</b>
5.1. QUARTERLY RISK MANAGEMENT REPORT .....	19
5.2. INSURANCE PROGRAM .....	21
5.3. REPORT OF INSURANCE CLAIMS.....	22
<b>6. INTERNAL AUDIT.....</b>	<b>23</b>
6.1. REVIEW PROGRESS ON FORWARD INTERNAL AUDIT PLAN.....	23
6.2. INTERNAL AUDIT OPEN ACTION ITEMS .....	24
<b>7. COMPLIANCE .....</b>	<b>25</b>
7.1. PROTECTED DISCLOSURE REPORT (CEO).....	25
7.2. IA REPORT ON SIGNIFICANT COMPLIANCE MATTERS .....	26
7.3. ANNUAL PEOPLE AND CULTURE REPORT .....	27
7.4. DIRECTORATE COMPLIANCE REPORT: ECONOMY AND COMMUNITY.....	28
<b>8. FRAUD PREVENTION SYSTEMS AND CONTROLS .....</b>	<b>29</b>
8.1. FRAUD AND CORRUPTION REPORT .....	29
<b>9. GOVERNANCE - POLICIES AND PROCEDURES .....</b>	<b>30</b>
9.1. POLICIES AND PROCEDURES NIL FOR REVIEW .....	30
<b>10. REPORTING RESPONSIBILITIES .....</b>	<b>31</b>
10.1. CHAIR BI-ANNUAL AUDIT AND RISK REPORT TO COUNCIL.....	31
10.2. PROVIDE PREVIOUS MEETING MINUTES TO COUNCIL .....	32
<b>11. GENERAL BUSINESS AND COMMITTEE OPERATIONS .....</b>	<b>32</b>

11.1. INTERNAL AUDITOR ENGAGEMENT - TENDER UPDATE .....	32
11.2. REVIEW OF AUDIT AND RISK COMMITTEE QUESTIONNAIRE RESULTS.....	33
11.3. REVIEW AUDIT AND RISK COMMITTEE MEETING PERFORMANCE.....	34
<b>12. OTHER BUSINESS.....</b>	<b>35</b>
<b>13. MEETING CLOSED .....</b>	<b>36</b>



**Kerryn Ellis**  
**Chief Executive Officer**

## 1. IN CAMERA - CONFIDENTIAL AUDIT & RISK REPORTS

### 1.1. IN CAMERA COMMITTEE ONLY

*In-Camera Committee attendance*

### 1.2. IN CAMERA COMMITTEE WITH CEO

*In-Camera Committee and Chief Executive Officer attendance*

#### **Action Items**

The CEO confirmed Council will explore options for conducting a risk culture survey. Council will look at conducting a survey in the second half of the 2022 once the integrated planning work is completed and the new internal auditor contract has commenced.

### 1.3. IN CAMERA INTERNAL AND EXTERNAL AUDITORS

*In-Camera Committee attendance and internal and external auditors*

## 2. PRELIMINARY MATTERS

### 2.1. WELCOME

*Please ensure mobile phones are set to 'silent' during the Meeting.*

### 2.2. ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Bunurong and Gunaikurnai people as the Traditional Custodians of South Gippsland and pay respect to their Elders, past, present, and future, for they hold the memories, traditions, culture, and hopes of Aboriginal and Torres Strait Islander people of Australia.

### 2.3. ATTENDEES

Attendees are as noted above with the exception of any apologies found at item 2.4

### 2.4. APOLOGIES

<b>Apologies</b>	Michelle Jorgensen
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## 2.5. DECLARATION OF CONFLICTS OF INTEREST OR DUTIES

Ms. Jen Johanson as Senior Advisor - RSM Australia – Cyber Security & Privacy Services (part-time executive role); Independent Member of Finance Risk and Audit Committee – Education Services Australia; Independent Member - Audit and Risk Management Committee – IBAC; Independent Member - Audit and Risk Committee – Chief Minister, Treasury & Economic Development Directorate, ACT Government (and Deputy Chair of this Committee); Independent Member - Audit and Risk Committee – Hume City Council; External Member - Audit and Risk Committee – Bayside City Council; External Member - Audit and Risk Committee - City of Greater Dandenong; Independent Member - Audit and Risk Committee - City of Whittlesea; Independent Member - Audit and Risk Committee - City of Stonnington; Advisory Board Member - iAM OMNI; Independent Member - Audit and Risk Committee - The University of Melbourne.

Mr Homi Burjorjee as member on the following audit committees – Knox City Council; Bass Coast Shire Council and Chair of Cardinia Shire and Office of Public Prosecutions audit committees.

Mr. Chris Badger as non-Executive director of Central Gippsland Water, Gippsland Waste and Recovery Group and Gippsland Ports. Chair of Gippsland Waste and Resource Recovery Group Audit, Finance and Risk Committee. Chair of Wellington shire Council Audit & Risk Committee. and Independent Member East Gippsland Shire Council Audit and Risk Committee. Member of CarbonNet Community reference Group. Director CDB Energy/Utility Consultancy.

### Action Items

The committee noted the following changes –

Mr. Chris Badger is no longer a committee member for East Gippsland Shire Council Audit and Risk Committee.

Mr. Homi Burjorjee is no longer a committee member of Cardinia Shire Council Audit and Risk Committee

Ms. Jen Johanson appointed to Brimbank City Council Audit and Risk Committee.



## **2.6. CONFIRMATION OF PREVIOUS MEETING MINUTES**

Review of the Audit & Risk Committee Minutes of the Previous Meeting.

*Refer to Attachment for a copy of the Previous Minutes in detail.*

### **RECOMMENDATION**

**The Audit & Risk Committee notes that the Audit & Risk Committee Minutes of 14 December 2021 were reported to Council at the 16 February 2022 Council Meeting.**

### **ATTACHMENT**

1. Audit and Risk Committee Minutes Final - 14 December 2021 [**2.6.1.1** - 9 pages]

#### **Minutes**

Minutes from previous meeting accepted.

#### **Action Items**

Minutes presented to Council to be marked as draft if they are presented to Council prior to being accepted at a later meeting of A&RC.

Moved : Chris Badger

Seconded : Homi Burjorjee

## **2.7. ACTIONS ARISING FROM PREVIOUS MINUTES**

Performance and Innovation

### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

The Audit & Risk Committee notes the following Action Items of the South Gippsland Shire Council Audit & Risk Committee conducted 14 December 2021 and previously open action items from prior meetings.

### **RECOMMENDATION**

That the Audit & Risk Committee notes the actions arising report.

### **ATTACHMENTS**

Nil

### **Minutes**

Report taken as read.

### **Action Items**

No action items noted

Mover : Chris Badger

Secunder : Jen Johanson

## **2.8. ADVISE OF KNOWN OR POTENTIAL BREACHES OF LEGISLATION**

Performance and Innovation

### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

This item informs the Audit and Risk Committee of any known breaches of legislation that may have occurred in the period of 5 December 2021 to 7 February 2022.

### **RECOMMENDATION**

That the Audit & Risk Committee notes that no breaches of legislation are known to have occurred in the period of 5 December 2021 to 7 February 2022.

### **ATTACHMENTS**

Nil

### **Minutes**

Nil items to report was noted

### **Action Items**

Nil.

Mover : Chris Badger

Seconder : Cr Sarah Gilligan

### **3. EXTERNAL AUDIT**

#### **3.1. REVIEW AND ENDORSE SCOPE OF EXTERNAL AUDIT PLAN**

Performance and Innovation

##### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

This item informs the Committee of the planned audits to be undertaken by VAGO.

##### **RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the attached VAGO Status report for February 2022.**

##### **ATTACHMENTS**

1. VAGO Status Report - February 2022 [3.1.1 - 23 pages]

##### **Minutes**

The Committee was introduced to Travis Derricott, Senior Director of Financial Audit, who outlined his experience of over 25 years.

The Committee advised that the VAGO status report was taken as read. VAGO invited the Committee for feedback on what they would like to see in the Status Report. The Committee commented that the report in its current form and level of detail is relevant and informative.

The VAGO Annual Audit Plan for 2022-23 is in the consultation stage with agencies. The audit plan having a 3-year outlook is subject to change as priorities may shift during that period. The next planned audit to occur for SGSC is Effectiveness of Enhanced Maternal and Child Health Programs.

Management raised that areas of most interest within the VAGO Forward Plan for South Gippsland Shire Council are fraud and corruption, food safety, waste management and fraud management in relation to government grants. While Council was proactive in its management of these aspects, there is always opportunity for improvement as new risks and exposures are brought to light.

VAGO indicated that key risk areas, due to their materiality, of the audit strategy are valuation of property, infrastructure, plant and equipment and that changes in land value from the previous year is the most significant item from a risk perspective.

The Committee discussed the impact of elections delaying the announcements of approvals of grant funding. This creates an increased risk in the delivery of these projects putting time pressure on budget recognition and reducing delivery windows against unchanging grant agreement timelines.

**Action Items**

Management comment for insights on aspects most relevant to SGSC. This information to be provided into the body of the report or a separate briefing report provided.

Council to indicate to the Committee when the last independent valuation of land and assets was conducted. Melissa Baker took this question on notice and will respond out of session.

Mover : Chris Badger  
Seconder : Homi Burjorjee

## **4. FINANCIAL AND PERFORMANCE REPORTING**

### **4.1. FINANCIAL PERFORMANCE REPORT - OCTOBER TO DECEMBER 2021**

Performance and Innovation

#### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

Pursuant to the Audit and Risk Committee charter and the Local Government Act 2020, the Audit and Risk Committee has an oversight responsibility to support Council in relation to its financial and performance reporting.

#### **RECOMMENDATION**

**That the Audit & Risk Committee receives the Financial Performance Report September 2021 to December 2021, including the Quarter 2 Forecast to be circulated separately following the report being received and noted by Council at the meeting on 16 March 2022.**

#### **ATTACHMENTS**

Nil

#### **Minutes**

The Financial Performance report will be provided to the Councillor briefing sessions of 6 March 2022 and then to the Council meeting of 16 March 2022. The significant items of note in the report are the 2021 storm events and Working for Victoria recruitments. Q2 forecast results were noted as favourable and it was flagged that the capital projects carried forward is expected to be \$6m. The report will be emailed to the Audit and Risk Committee out of session.

The Committee queried the disparity between modelling growth figures and actual growth figures which considerably exceed the standardised models. Management indicated that they are compiling an economic update report to present at the Councillor briefing on 6 March 2022 with best estimates. The Committee raised that Gippsland Water has done significant work in this sphere and recommended Council consider reaching out for their experience and thoughts on regional growth impacts. Chris Badger will provide contacts if this is sought by Council.

#### **Action Items**

The Committee requested figures for six months to 31 December 2021. Management provided a verbal update and Melissa Baker will provide a written report out of session once it has been presented to Council.

Mover : Chris Badger  
Seconder : Cr Sarah Gilligan



#### **4.2. LGPRF REPORTING & ORGANISATIONAL PERFORMANCE REPORT - JULY 2021 TO DECEMBER 2021**

Performance and Innovation

##### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

The second quarter report on Council's performance against the 2020-2024 Council Plan and the 2021/22 Annual Initiatives, including the Local Government Performance Reporting Framework (LGPRF) indicators, is attached.

The purpose of this report is for the Audit and Risk Committee to consider the year-to-date indicator results for the period July 2021 to December 2021.

##### **RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the Local Government Reporting Framework (LGPRF) data and the Organisational Performance Report July 2021 to December 2021 (Attachment 4.2.1).**

##### **ATTACHMENTS**

1. LGPRF and Organisational Performance Report - July 2021 to December 2021 [4.2.1 - 30 pages]

##### **Minutes**

Management provided a summary of the report and commented that we are tracking well in terms of project, service and budget delivery. It was noted that there was a high volume of unanticipated work and the Organisation performed well.

The Committee discussed the sealed roads standards not meeting target as a concern. Management indicated that the three significant storm events diverted resources to priority work and that expectation was that end of year targets would still be met.

The Committee queried the static waste diversion figure. The Committee was advised that organic/FOGO kerbside collection service will be introduced February 2023 and this will divert significant volumes of waste away from landfill.



**Action Items**

Recommendation that management commentary be added to LGPRF reporting on all items where there is a variance.

Chris Badger will contact Melissa Baker out of session to suggest amendments for future reports.

The Committee suggested items that are annual measures be labelled as such for ease of ready understanding such as when reporting year to date progress against an end of year measure.

Mover : Chris Badger  
Seconder : Homi Burjorjee

#### **4.3. FINANCIAL YEAR END STRATEGY REPORT**

Performance and Innovation

##### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

This report provides the Audit and Risk Committee with an update on the end of financial year plan including any significant changes to accounting standards.

##### **RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the approach for the end of financial year for 2021/22.**

.

##### **ATTACHMENTS**

1. Financial Year End Strategy Report [4.3.1 - 1 page]

##### **Minutes**

The Committee questioned whether management considered the effects of the LGA2020 in the strategy. Management confirmed that we will be considering these changes as a part of the annual financial and performance statements.

##### **Action Items**

Nil

Mover : Chris Badger  
Seconder : Jen Johanson

## **5. RISK MANAGEMENT**

### **5.1. QUARTERLY RISK MANAGEMENT REPORT**

Performance and Innovation

#### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

To provide the quarterly report of the progress of risk management related activity occurring within Council.

#### **RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the Quarterly Risk Management Report as of 7 February 2022.**

#### **ATTACHMENTS**

Draft for Management and ARC comment are the suggested changes to Risk Appetite statements to be considered for inclusion with current strategic risks as well as to set a baseline for when Strategic Risks are next revised following the setting of Council Objectives.

1. Proposed Risk Appetite Statement for Risk Management Framework [5.1.1 - 3 pages]

#### **Minutes**

Management advised that the risk appetite statements have been updated and applied to the strategic risks. No further work to be done on the current Strategic Risks as these will be redefined by Council following the setting of Council Objectives. The current Strategic Risks will be shared with Council to form the basis of establishing new strategic risks.

Operational risks were established early in FY2021-22 and are currently commencing the first review cycle with the relevant Managers. An assurance program is currently being developed and Managers are being trained in Reliansys Risk Management System to manage their own risks.

The Committee commented on the positive progress of work done in this sphere.

Chris commented that Gippsland Water have well-developed processes for lone workers and will provide contact information out of session.

**Action Items**

Chris Badger to provide lone worker information out of session.

Risk workshop to be organised to discuss new Strategic Risks once the Council Plan has been agreed with Council.

Mover : Chris Badger  
Seconder : Cr Sarah Gilligan

**5.2. INSURANCE PROGRAM**

Performance and Innovation

**WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

To provide the Committee with an update on the intended approach regarding insurance coverage for Council operations.

**RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the Insurance Program report informing of planned insurance related activities including with the proposed schedule of insurances to be reported at the June meeting.**

**ATTACHMENTS**

Nil

**Minutes**

Management advised that current review process is being completed through Marsh to evaluate maximum financial loss. This will assess current coverage and identify any gaps for Council consideration. Report timing will assist in evaluating insurance coverage prior to mid-year insurance renewals.

Committee members noted that significant rises in premiums and reduced scopes being experienced by other councils and that some are considering self-insuring in some areas. Insurers are beginning to assess control measures before agreeing to provide coverage.

**Action Items**

Management to report at next Audit and Risk Committee meeting on insurance coverages and changes for 22/23 FY.

Mover : Chris Badger  
Seconder : Homi Burjorjee

**5.3. REPORT OF INSURANCE CLAIMS**

Performance and Innovation

**WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

This item informs the Committee of the Insurance Claims for the period of 1 July 2021 to 31 December 2021.

**RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the Insurance Claims Report for the period of 1 July 2021 to 31 December 2021.**

**ATTACHMENTS**

1. ARC - March 2022 Meeting - Insurance Report [5.3.1 - 2 pages]

**Minutes**

The Committee discussed the number of claims raised on Council and the process involved in assessing whether compensation was applicable.

Statistics provided reflected the drop out rate of most who request compensation once the claimant has understood the need for Council error or negligence to have caused or contributed to the incident.

**Action Items**

No action items noted

Mover : Chris Badger

Seconder : Cr Sarah Gilligan

## **6. INTERNAL AUDIT**

### **6.1. REVIEW PROGRESS ON FORWARD INTERNAL AUDIT PLAN**

Performance and Innovation

#### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

The Audit and Risk Committee is authorised to endorse the internal audit plan. This report provides a proposed Internal Audit plan for the remainder of the 2021/22 financial year.

#### **RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the current status of the agreed Internal Audits for the remainder of the 2021/22 financial year.**

#### **ATTACHMENTS**

Nil

#### **Minutes**

The Internal Auditor advised that the two audits on Records Management and Customer Service are underway. They commented that both are progressing smoothly and that Council staff were accommodating and supportive having all records prepared and readily available.

Councillor Compliance audit is due in May. The Internal Auditor will speak with Management about scoping this audit.

#### **Action Items**

No action items noted.

Mover : Chris Badger  
Seconder : Homi Burjorjee

**6.2. INTERNAL AUDIT OPEN ACTION ITEMS**

Performance and Innovation

**WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

To inform the Audit and Risk Committee of the status of any open/in-progress items from Internal Audits

**RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the status of Internal Audit open and in-progress items.**

**ATTACHMENTS**

Nil

**Minutes**

The Committee acknowledged the excellent progress in this area. It was suggested to extend benchmarking to other industries rather than just against other councils.

The Committee also noted the importance of comments on reports that reflect the risk perspective. They noted that audits and investigations will consider such meeting records and reports on health and safety matters as well as refer to training records.

**Action Items**

The Committee requested that comments across all action items be reviewed by Management for consistency in language and detail, such as to include recent developments and revised due dates.

Mover : Chris Badger  
Seconder : Jen Johanson



## **7. COMPLIANCE**

### **7.1. PROTECTED DISCLOSURE REPORT (CEO)**

Office of the CEO

#### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

This item is to inform the committee of any Protected Disclosures which may have occurred in the previous three months of 6 December 2021 to 7 February 2022.

#### **RECOMMENDATION**

**That the Audit & Risk Committee notes that there were no protected disclosures for the period of 6 December 2021 to 7 February 2022.**

#### **ATTACHMENTS**

Nil

#### **Minutes**

Report taken as read.

#### **Action Items**

Nil

Mover : Chris Badger

Seconder : Cr Sarah Gilligan

**7.2. IA REPORT ON SIGNIFICANT COMPLIANCE MATTERS**

Performance and Innovation

**WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

The purpose of this report is to report to the Audit and Risk Committee any Internal Audit related compliance matters and to provide the quarterly report from the Internal Auditor of Government and Integrity Agency Reports of which SGSC should consider.

**RECOMMENDATION**

**That the Audit & Risk Committee receives this report and notes that there are currently no compliance matters to report; and that the committee receives the quarterly IA report of government and integrity agency reports and investigations that have relevance to SGSC.**

**REPORT**

There are currently no compliance matters to report.

RSD have provided their quarterly report identifying various reports and investigations from government bodies and integrity agencies that are relevant to Local Government Agencies.

Council officers have reviewed the reports identified and provided comments at the conclusion of the RSD report attached.

1. IA Update Report - Q2 FY2022 - Local Government [7.2.1 - 8 pages]

**Minutes**

Report taken as read

**Action Items**

Nil

Mover : Chris Badger

Seconder : Homi Burjorjee

### 7.3. ANNUAL PEOPLE AND CULTURE REPORT

Performance and Innovation

#### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

To provide the Audit and Risk Committee with a strategic view of the People priorities and related projects for the organisation, an update on progress to date and a snapshot of key indicators (lead and lag) to understand current progress on a range of health, safety and wellbeing initiatives.

#### **RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the Strategic People Update report.**

.

#### **ATTACHMENTS**

1. Strategic People Update Report - March 2022 [7.3.1 - 10 pages]

#### **Minutes**

The Committee commented on the excellence of this report.

Management provided a summary of key points of the report and remarked on the significant transformation in the last 12 months and in particular highlighted the work done in the safety space with a systematic approach now embedded.

The Committee recognised the incredible job done on cultural change throughout the organisation. The Committee also queried how staff who have a community interface were supported and developed. Management responded that a recent workshop with Managers and Co-ordinators to talk about cultural change is one of many planned with council officers.

Discussion included querying the ability to build the capacity of those staff with field and community interfacing roles to acknowledge and address low historic community level of trust.

#### **Action Items**

No action items noted

Mover : Chris Badger

Secunder : Jen Johanson

#### **7.4. DIRECTORATE COMPLIANCE REPORT: ECONOMY AND COMMUNITY**

Economy and Community

##### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

The purpose of this report is to update the Audit and Risk Committee of any compliance issues within the Economy and Community Directorate.

##### **RECOMMENDATION**

**That the Audit & Risk Committee receives and notes that there are currently no compliance issues within the Economy and Community Directorate.**

##### **Minutes**

Report taken as read

##### **Action Items**

Nil

Mover : Chris Badger

Seconder : Cr Sarah Gilligan

## **8. FRAUD PREVENTION SYSTEMS AND CONTROLS**

### **8.1. FRAUD AND CORRUPTION REPORT**

Office of the CEO

#### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

This item informs the Audit and Risk Committee of any acts of fraud, corrupt conduct and possible illegal acts that may have occurred in the period of 5 December 2021 to 7 February 2022.

#### **RECOMMENDATION**

**That the Audit & Risk Committee notes that no acts of fraud, corrupt conduct, or possible illegal acts have occurred in the period of 5 December 2021 to 7 February 2022.**

#### **ATTACHMENTS**

Nil

#### **Minutes**

Report taken as read

#### **Action Items**

Nil

Mover : Chris Badger

Seconder : Homi Burjorjee

## **9. GOVERNANCE - POLICIES AND PROCEDURES**

### **9.1. POLICIES AND PROCEDURES NIL FOR REVIEW**

Performance and Innovation

#### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

To present to the Committee for review and comment on any policies relating to the A&RC Charter that are in their review process for ELT and/or Council approval.

#### **RECOMMENDATION**

**That the Audit & Risk Committee notes there are no policies for review in this reporting period.**

#### **ATTACHMENTS**

Nil

#### **Minutes**

Report taken as read

#### **Action Items**

Nil

Mover : Chris Badger

Seconder : Jen Johnason

## **10. REPORTING RESPONSIBILITIES**

### **10.1. CHAIR BI-ANNUAL AUDIT AND RISK REPORT TO COUNCIL**

Performance and Innovation

#### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

To provide the Committee with the bi-annual report from Committee Chair to Council.

#### **RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the bi-annual report from Audit and Risk Committee Chair to Council in accordance with the Committee Charter.**

#### **ATTACHMENTS**

1. Audit Committee Chair Annual Report to Council - July to Dec 2021 - Final  
[10.1.1 - 5 pages]

#### **Minutes**

The Audit and Risk Committee discussed and recommended that two Councillors be considered for appointment to the Committee.

#### **Action Items**

The Audit and Risk Committee Charter will be tabled for review on the Forward Planner and to consider recommendation of a second Councillor appointment to the Committee.

Mover : Chris Badger  
Seconder : Cr Sarah Gilligan

## **11. GENERAL BUSINESS AND COMMITTEE OPERATIONS**

### **11.1. INTERNAL AUDITOR ENGAGEMENT - TENDER UPDATE**

Performance and Innovation

#### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

This report provides the Committee with the current status of the tender for Internal Audit services.

#### **RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the report on the current status of the Internal Audit service tender.**

#### **ATTACHMENTS**

Nil

#### **Minutes**

Management advised that a Public Tender was opened and three responses were received. A number of invitees advised that they would not be applying.

The Tender Evaluation Committee have been sent the tender responses as well as the Evaluation Sheet for their review. Finding from this sub-committee will be referred to the Audit and Risk Committee who in turn will provide a recommendation to Council.

#### **Action Items**

A report from the sub-committee to be tabled at the next Audit and Risk Committee meeting

Mover : Chris Badger

Seconder : Jen Johanson



**11.2. REVIEW OF AUDIT AND RISK COMMITTEE PERFORMANCE QUESTIONNAIRE RESULTS**

Performance and Innovation

**WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

To present the Committee with the findings of the Annual Committee Performance Self-Assessment including comparison to results of previous years.

**RECOMMENDATION**

**That the Audit & Risk Committee receives and notes the Performance Self-Assessment report.**

**ATTACHMENTS**

Nil

**Minutes**

The Committee noted that the survey for this year had been modified and considered this an improvement and felt that it was a good result. Learnings from the comments provided are –

- The Audit and Risk Charter should be updated to clarify that the Audit and Risk Committee will be advised of any work undertaken by the Internal Auditor outside planned audits
- Review of the role of the Chair should be further defined in the Audit and Risk Charter
- Increased management commentary on reports provided to the Audit and Risk Committee including remarks on how these align with Strategic Risks.

Discussion also occurred around materiality of issues discussed by the Committee and the need to ensure focus is appropriate and strategic.

**Action Items**

- The survey be provided to Cr Mohya Davies (Mayor) and Council Monitor Prue Digby for their additional input to the survey.
- An update of the Audit and Risk Charter should be undertaken to (1) advise the Committee of any work undertaken by the Internal Auditor outside planned audits; (2) that the role of Chair should be further clarified; (3) the role of the Committee in the selection of Independent Audit service provider; and (4) consideration of an additional Councillor representative. Risk charter to be reviewed at Committee September meeting.

- Ensure management commentary on Committee reports reflect and align with Strategic Risks where relevant.

Mover : Chris Badger

Seconder : Cr Sarah Gilligan

**NOTE – Due to loss of internet and phone connection of Chris Badger, meeting continued with a quorum and with Ms Jen Johanson acting as Chair.**

### **11.3. REVIEW AUDIT AND RISK COMMITTEE MEETING PERFORMANCE**

Performance and Innovation

#### **WHAT IS SOUGHT FROM THIS AUDIT & RISK COMMITTEE ITEM?**

For the committee to review and discuss this meeting, what went well in achieving its objectives, and areas for improvement for the next meeting/s.

#### **RECOMMENDATION**

Nil

#### **ATTACHMENTS**

Nil

#### **Minutes**

There was consensus that the meeting had gone well. VAGO remarked that everyone had an opportunity to question and make comments which is positive.

The Committee congratulated management on the quality of the papers provided to the Committee, noting a real maturity developing and that reports were very comprehensive.

All participants agreed to aim for the next meeting to be in person.

#### **Action Items**

No action items noted

Mover : Jen Johanson

Seconder : Homi Burjorjee

## **12. OTHER BUSINESS**

*Other Items for discussion*

### **Minutes**

No items raised.

## **13. MEETING CLOSED**

### **NEXT MEETING**

Meeting closed at 11:52am

The next Audit & Risk Committee Meeting is scheduled to be held on 14 June 2022.