



Southern Grampians
SHIRE COUNCIL

Audit & Risk Committee Minutes

Ordinary Meeting
2 September 2021

Held at 1.30pm via
Teams Meeting

1. Attendance

Members

Mr Brian Densem – Chair
Mr Michael Murphy OAM
Ms Aisling Cunningham
Cr David Robertson (Deputy Mayor)
Cr Mary-Ann Brown

Officers

Mr Tony Doyle – Interim Chief Executive Officer
Ms Evelyn Arnold – Director Community & Corporate Services
Ms Belinda Johnson – Manager Finance
Ms Victoria Holt – Manager Organisational Development

Minutes

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

Guests

Mr Chris Kol - McLaren Hunt Financial Group
Ms Kathie Teasdale – RSD Audit
Mr Mike Shanahan – Health & Safety Coordinator

2. Committee in Camera

The Mr Kol stepped the Committee through the process of the audit and the assistance provided by staff.

Mr Doyle, Ms Arnold, Ms Johnson, Ms Holt and Ms Rhook joined the meeting.

3. Welcome – Chair

The Chair welcomed all to the meeting and thanked everyone for their work in putting the Agenda together.

The Chair also advised that Ms Teasdale from RSD Audit would not be joining this meeting due to no Internal Items to be discussed.

The Chair also noted, on behalf of the Committee, the work completed and the support to all on the Committee of the outgoing CEO, Mr Michael Tudball. Mr Tudball was an active supporter of this Committee and its objective and his work was very much appreciated.

Cr Robertson had some technical issues with entering the meeting, he will join when able.

4. Apologies

Ms Kathie Teasdale – RSD Audit

5. Conflicts of Interest

Mr Brian Densem – Chair of Glenelg Hopkins CMA Audit & Risk Committee
Mr Mick Murphy – Wannan Water
Ms Aisling Cunningham – Quality Manager of Western District Health Service
Cr David Robertson – Item 10.4 – Councillor Expenses
Cr Mary-Ann Brown – Item 10.4 – Councillor Expenses

6. Confirmation of Minutes

Minutes of the meeting held on 17 May 2021 have been circulated.

These unconfirmed minutes were presented to Council at the Ordinary Monthly Meeting held on Wednesday 9 June 2021.

RECOMMENDATION

THAT the Minutes of the Ordinary Meeting of the Audit & Risk Committee held on 17 May 2021 be confirmed as a correct record of business transacted.

Moved: Cr Brown
Seconded: Mr Murphy

CARRIED

Item 6.2 Summary Table of Outstanding Matters

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

RECOMMENDATION/ACTION

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

THAT the item regarding installation of a Distress Alarm for Customer Service and some key points be followed up and an update be brought back to the November meeting.

NOTED

Item 7.1 External Audit - Progress Report of Current Actions

Author: Belinda Johnson - Manager Finance
Attachments: Progress Report of Current Actions - External Audit

RECOMMENDATION

THAT the Committee note the Progress of Current Actions.

NOTED

Item 7.2 Review Draft Financial Statements, Performance Statement and Governance & Management Checklist

Author: **Belinda Johnson – Manager Finance**

Attachments: **Draft Financial Statements, Draft Performance Statement, Draft Governance & Management Checklist**

RECOMMENDATION/ACTION

THAT the Committee recommend the reports (incorporating any requested changes from both the external auditors and Victorian Auditor General’s Office) to Council.

THAT a copy of the representation letter signed by the Interim CEO and Manager Finance be provided to the Audit & Risk Committee.

Cr Robertson joined the meeting at 2.00pm

The Committee congratulated Ms Johnson and her team for the hard work and effort for actions the items on the Management Checklist, which are now closed.

THAT subject to no material change to the documents provided, the Committee recommend the reports to Council.

THAT an explanation is provided in the notes regarding the 31% staff turnover item.

THAT a comment be made against the indicator for Local Road versus State Roads as the Local Roads item has been impacted.

Moved: Cr Brown

Seconded: Mr Murphy

CARRIED

Item 7.3 Review Draft Management Letter & Closing Report

Author: **Belinda Johnson – Manager Finance**

Attachments: **Draft Management Letter**

RECOMMENDATION

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

ACTION

THAT the final version of the Management Letter, Closing Report and confirmation of accounts being approved by VAGO is emailed to the Committee including details of any changes.

THAT the final version of the Management Letter and Closing Report be presented at the November ARC Meeting.

Cr Robertson requested details around the lease of the Quarry, in particular the assurance regarding Rehabilitation Provisions with Boral Resources Pty Ltd - Taken on Notice.

NOTED

Item 7.4 Auditor General Annual Plan 2021-22 – Fraud Control over Local Government Grants

Author: Belinda Johnson – Manager Finance
Attachments: Final Audit Plan – Fraud Control over Local Government Grants

RECOMMENDATION

THAT the Committee note the Final Audit Plan – Fraud Control over Local Government Grants as presented.

NOTED

Item 8.1 Internal Audit Progress - Overall

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

RECOMMENDATION

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

THAT the Committee note the swap of the Internal Audits of Asset Management Framework and Project Management Framework.

Moved: Cr Brown
Seconded: Cr Robertson

CARRIED

Item 8.2 Progress Report of Internal Audit Actions (Interplan)

Author: Victoria Holt, Manager Organisational Development
Attachments: Interplan Reports - Various

RECOMMENDATION

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

- Customer Service & Complaints
- Risk Management
- Waste Management
- Asset Management & Road Maintenance
- Building Maintenance

- Procurement
- Depot Management
- Purchasing Cards
- Data Security Protection (VPDSS)

THAT further clarification be provided on Item 1.2.1.2 – Site Clean-Up and Material Storage in the Interplan Report for Depot Management in the minutes.

NOTED

Item 9.1 Excess Leave Update

Author: Victoria Holt, Manager Organisational Development

Attachments: Nil

RECOMMENDATION/ACTION

THAT the Committee note the update of the Excess Leave.

THAT an update to be provided on this item at the ARC November meeting.

NOTED

Item 10.1 Implementation of Local Government Act

Author: Karly Saunders, Governance Coordinator

Attachments: Local Government Act 2020 Project Plan

RECOMMENDATION

THAT this item be noted.

NOTED

Item 10.2 Compliance Framework

Author: Karly Saunders, Governance Coordinator

Attachments: Project Plan and Compliance Overview

RECOMMENDATION

THAT the Committee note the update on the Compliance Framework.

NOTED

Mr Shanahan joined the meeting at 3.03pm

Item 10.3 OHS Report

Author: Mike Shanahan, Health & Safety Coordinator
Attachments: OHS Report

RECOMMENDATION

THAT the Committee note the attached report.

NOTED

Mr Shanahan left the meeting at 3.10pm

Item 10.4 Councillor Expenses Quarterly Report

Author: Victoria Holt, Manager Organisational Development
Attachments: Councillor Expenses - Quarterly Report – 1 April – 30 June 2021

RECOMMENDATION

THAT the Committee note the Councillor Expense Report as presented.

THAT further investigation and follow up through Council's IT Department with Telstra regarding the additional charges made against Cr Calvano's data usage.

NOTED

Item 11.1 VAGO, Ombudsman, IBAC Reports

Author: RSD Audit
Attachments: VAGO, Ombudsman & IBAC Reports

RECOMMENDATION

THAT the Committee note the recent reports and publications by Government Agencies and other sources that may impact on public sector agencies.

NOTED

Item 11.2 Ombudsman Reports – Investigation into how Local Councils respond to ratepayers in financial hardship

Author: Belinda Johnson, Manager Finance
Attachments: Presentation – Summary of Report

RECOMMENDATION

THAT the Committee note the summary of the report.

NOTED

Item 12.1 Brown Street Business Centre, Finance Building, Library, PAC and Senior Citizens building Flood Update

Author: Evelyn Arnold, Director Community & Corporate Services

Attachments: Nil

RECOMMENDATION

THAT the Committee acknowledge the update provided by Ms Arnold.

NOTED

13. Next Meeting

The next meeting quarterly meeting is scheduled for 9 November 2021.

The Chair thanked everyone for their work and Mr Kol and Ms Johnson for the work on the External Audit.

The meeting closed at 3.30pm.