



**Murrindindi**  
Shire Council

# Audit and Risk Committee Meeting

## Minutes

Thursday 14 March 2024  
Alexandra Meeting Room  
Perkins Street  
3:00 PM

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## 1 WELCOME AND RECOGNITION OF COUNTRY

The Audit and Risk Committee meeting was opened with the temporary Chair declaring the following Pledge:

“I would like to welcome you all to the Audit and Risk Committee Meeting, on behalf of the Committee I would like to acknowledge the Taungurung and Wurundjeri people as the traditional custodians of the land we now call Murrindindi Shire.

We pay our respects to First Nations leaders and elders, past, present and emerging.”

## 2 APOLOGIES AND REQUEST FOR LEAVE OF ABSENCE

There were no requests for leave of absence tendered.

### **Apologies:**

Dr Craig Nisbet

### **Present:**

Mr S Schinick (Chair), Mr C Baxter (Virtual), Cr S McAulay, Cr J Walsh

### **In attendance:**

Chief Executive Officer: Livia Bonazzi (Virtual)

Director People & Corporate Performance: Michael Chesworth

Manager Governance and Risk: Amanda Vogt

Coordinator Integrity & Governance: David Echeverry (Virtual)

Tyson Holt, RSD Audit (Virtual)

Makesh Silva, RSD Audit (Virtual)

Kapil Kukreja, HLB Mann Judd (Virtual)

Mayor Cr Damien Gallagher

## 3 DISCLOSURE OF INTEREST OR CONFLICT OF INTEREST

Nil to report.

## 4 CONFIRMATION OF MINUTES

### 4.1 Confirmation of Minutes

Minutes of the Audit and Risk Committee Meeting held on 7 December 2023.

### **RESOLUTION**

#### **S Schinck / C Baxter**

**That the minutes of the Audit and Risk Committee Meeting held on 7 December 2023 be confirmed, noting the need to correct the list of meeting attendees.**

**CARRIED**

## 5 REVIEW ANY BUSINESS ARISING FROM PREVIOUS MINUTES

Nil to report.

## 8 AUDITS - EXTERNAL

The Chair brought forward item 8.1 to enable the RSD Audit representatives to attend the meeting.

### 8.1 Review Auditors Proposed Scope & Approach

Attachment(s)	1. Attachment 1 - Audit Strategy Memorandum 30 June 2024 [8.1.1 - 23 pages]
Presenter	RSD Audit
Approved by	Director Corporate & Shared Services
Purpose	For noting

RSD Audit presented this report at the meeting.

### **RESOLUTION**

**S Schinck/ C Baxter**  
**That the Audit and Risk Committee note the Murrindindi Shire Council Audit Strategy Memorandum as contained in Attachment 8.1.1.**

**CARRIED**

Tyson Holt and Makeesh Siva from RSD Audit left the meeting.

## 6 RISK MANAGEMENT

### 6.1 CEO's Questionnaire

Attachment(s)	1. Audit and Risk Committee - CEO Questionnaire - 29 February 2024 [6.1.1 - 3 pages]
Presenter	L Bonazzi, Chief Executive Officer
Approved by	Chief Executive Officer
Purpose	For noting

The Chief Executive Officer presented this at the meeting.

## **RESOLUTION**

**S Schinck / C Baxter**  
**That the Audit and Risk Committee note the Chief Executive Officer's Questionnaire to Directors.**

**CARRIED**

### **6.2 CEO's Update**

Attachment(s)	Nil
Presenter	L Bonazzi, Chief Executive Officer
Approved by	Chief Executive Officer
Purpose	For noting

The Chief Executive Officer provided a verbal update on the following matters:

- Floods update (January Flood new event)
- Commercial risks and opportunities; and
- Minister's changes to guidelines governing the application of the waste charge.

## **RESOLUTION**

**S Schinick / C Baxter**  
**That the Audit and Risk Committee note the Chief Executive Officer's update.**

**CARRIED**

### **6.3 Review Risk Register**

Attachment(s)	1. Attachment 1 - Strategic Risk Report - February 2024 [6.3.1 - 13 pages] 2. Attachment 2 - Operational Risk Report - February 2024 [6.3.2 - 8 pages]
Presenter	A Vogt, Manager Governance & Risk
Approved by	Director Corporate & Shared Services
Purpose	For noting

## Executive Summary

The purpose of this report is to provide the Audit and Risk Committee with an update on the management of Council's Strategic and Operational Risk Registers.

### **RESOLUTION**

**S Schinck / S McAulay**

**That the Audit and Risk Committee note the Strategic and Operational Risk Reports as contained in Attachments 6.3.1 and 6.3.2.**

**CARRIED**

## **6.4 Reports & Publications of Interest to Local Council's**

Attachment(s)	1. Local Government - Recent Reports and Publications (February 2024) [6.5.1 - 26 pages]
Presenter	HLB Mann Judd
Approved by	Manager Governance & Risk
Purpose	For noting

HLB Mann Judd presented this report.

### **RESOLUTION**

**S Schinck / C Baxter**

**That the Audit and Risk Committee note the 'Recent Reports and Publications – February 2024' Report presented by HLB Mann Judd.**

**CARRIED**

## **6.5 Review of CEO & Executive Assistant's Credit Card Expenditure**

Attachment(s)	Nil
Presenter	Michael Chesworth, Director Corporate & Shared Services
Approved by	Director Corporate & Shared Services
Purpose	For noting

## Executive Summary

The purpose of this report is to provide the Audit and Risk Committee with a summary of the Chief Executive Officer's (CEO) and the CEO's Executive Assistant's credit card transactions for noting.

## **RESOLUTION**

**S Schinck / J Walsh**

**That the Audit and Risk Committee note that the Chief Executive Officer's and the CEO's Executive Assistant's credit card transactions for the period 1 October 2023 to 31 December 2023 have been appropriately approved.**

**CARRIED**

## **6.6 Cyber Security Update**

Attachment(s)	Nil
Presenter	Michael Chesworth, Director Corporate & Shared Services
Approved by	Director Corporate & Shared Services
Purpose	For noting

### **Executive Summary**

This report provides an update in relation to cyber security, including an update on the actions following the Essential Eight internal audit, penetration testing, and any potential cyber security events.

## **RESOLUTION**

**S Schinck/ C Baxter**

**That the Audit and Risk Committee note the Cyber Security progress report.**

**CARRIED**

## 7 AUDITS - INTERNAL

### 7.1 Review & Recommend Internal Audit Plan & Resourcing

Attachment(s)	Nil
Presenter	A Vogt, Manager Governance & Risk
Approved by	Director Corporate & Shared Services
Purpose	For noting

HLB Mann Judd has progressed the Strategic Internal Audit Plan (Focus 2023) with all actions complete except the Review of Project Management Audit which is close to finalisation.

The Internal Audit Service Request for Tenders was released on 29 February 2024 with a closing date of 22 March 2024. A new contract will be in place prior to the May 2024 Audit and Risk Committee meeting.

#### **RESOLUTION**

**C Baxter / S Schinck**

**That the Audit and Risk Committee note the update on the Internal Audit Plan Resourcing for 2024.**

**CARRIED**

### 7.2 Review Internal Audit Reports & Management Responses

Attachment(s)	1. Follow-up Review Report - Final Report [7.2.1 - 25 pages]
Presenter	HLB Mann Judd
Approved by	Director Corporate & Shared Services
Purpose	For noting

HLB Mann Judd will present this report.

#### **RESOLUTION**

**J Walsh / C Baxter**

**That the Audit and Risk Committee note the “Follow up Review” Audit Report.**

**CARRIED**



### **7.3 Review Implementation of Previous Audit Actions**

Nil to report.

### **7.4 Follow up Significant Issues Raised by Internal Audit**

Nil to report.

### **7.5 Committee to Meet with Internal Auditors**

This item provides an opportunity for a closed discussion between the Committee and a representative of the internal auditor, HLB Mann Judd, without Council officers present to raise any relevant questions or matters.

Any advice to officers following this discussion can be subsequently relayed by the Chair.

All Officers and Mayor D Gallagher left the meeting for this agenda item.

## **9 FINANCIAL REPORT**

### **9.1 Review Significant Accounting & Reporting Issues**

Nil to report.

### **9.2 Review Quarterly Financial Statement**

Attachment(s)	1. Attachment 1 - Management Statements December 2023 [9.2.1 - 4 pages]
Presenter	Michael Chesworth, Director Corporate & Shared Services
Approved by	Director Corporate & Shared Services
Purpose	For noting

#### **Executive Summary**

This report provides the quarterly financial report for the period ending 31 December 2023. The Annual Revised Budget forecasts an operating surplus for the year of \$5 million.

## **RESOLUTION**

**S Schinck / C Baxter**

**That Audit and Risk Committee:**

1. receive the Quarterly Financial Report to 31 December 2023.
2. note that the formal adoption of a revised budget for the 2023/24 financial year is not required.

**CARRIED**

## **10 MANAGEMENT REPORTING**

### **10.1 Review Other Integrity Policies and Procedures**

Attachment(s)	1. Attachment 1 - Policy - Public Transparency - DRAFT 2024 [10.1.1 - 7 pages]
Presenter	A Vogt, Manager Governance & Risk
Approved by	Director Corporate & Shared Services
Purpose	For noting

#### **Executive Summary**

This report provides advice on any strategic documents adopted since the last meeting, so the Committee is aware of these documents and able to support Council to manage any emerging risks and legislative compliance issues.

Since the last Audit and Risk Committee meeting in December, Council has adopted revised versions of the Enterprise Risk Management Policy and Fraud and Corruption Control Policy.

The Public Transparency Policy is due for review in June 2024 and is attached for feedback from the Committee.

## **RESOLUTION**

**S Schinck/ C Baxter**

**That the Audit and Risk Committee:**

1. note the Policies and Plans that have been recently adopted by Council.
2. provide feedback on the Public Transparency Policy as contained in attachment 10.1.1

**CARRIED**

## 11 COMMITTEE REPORTING

### 11.1 Biannual Audit and Risk Committee Report

This report was not available for the meeting and will be circulated to the Committee when it is available.

## 12 NEXT MEETING

### 12.1 Next Meeting

The next meeting of the Audit and Risk Committee is scheduled for 9 May 2024 at 3.00 pm.

The meeting was closed at 4:50pm.

## CONFIRMED THIS

**CHAIRPERSON**      **S Schinck**