

Purpose

This report is provided in accordance with the Local Government Act 2020, Section 54 (5a) and describes the activities of the Audit and Risk Committee for the first half of 2023 and includes Committee findings and recommendation.

Recommendation

That Council receive and note the report.

Background

This report is prepared in accordance with the Murrindindi Shire Council Audit and Risk Committee Charter, section 6. This biannual report covers the period January-June 2023 (including meetings on 9 March and 18 May).

Membership

The Audit and Risk Committee is an advisory committee, whose role is to oversee and monitor Council's audit processes, including internal control activities. The committee comprises three independent members and two Councillors. Council appoints councillor members annually, for a 12-month term, which may be renewed subject to Council resolution. Independent members are appointed by Council for a three-year term following an external selection process and are eligible to be reappointed for a maximum of two three-year terms. This is a good solid piece of corporate governance, ensuring the independence of audit committee members. The Chairperson of the Committee is appointed on an annual basis from the independent membership of the Committee by all members of the Audit and Risk Committee.

The Audit and Risk Committee is independent from management but does not have any executive powers, management function or delegated financial responsibility.

The Chief Executive Officer and Senior Management representatives attended meetings of the Committee, by invitation, to assist in meeting discussions and procedures. Representatives from the internal and external auditors also attend to present on matters related to internal and external audit activities.

Attendance of Audit and Risk Committee Members at Meetings

	Number of Meetings attended
Total number of meetings from 1 July to 31 December 2022	2
Dr Craig Nisbet (Independent Member) Chair	2
Mr Claude Baxter (Independent Member)	2
Mr Steve Schinck (Independent Member)	2
Cr Damian Gallagher	2
Cr Sue Carpenter	2

Assistance to the Council

The Audit and Risk Committee is mindful that it has a responsibility to respond to requests for advice from Council and the Committee would like to restate to Council that it continues to welcome any approach for assistance or advice.

The Committee would also like to take this opportunity to thank:

- Staff of the Murrindindi Shire Council for making themselves available to attend Committee meetings;
- The Internal and External Auditors for the production of high-quality reports provided to the Committee; and
- The administrative staff for their support provided to the Committee.

Key activities of the Audit and Risk Committee

This report provides a summary of the work the Audit and Risk Committee performed to fully discharge its responsibilities and includes a summary of management's progress in addressing the results of internal and external audit reports. For the topics covered in the period under review, an overall assessment of management's risks, controls, and compliance processes, including details of any significant emerging risks or legislative changes impacting the organisation.

Work undertaken by the Committee included consideration of a wide range of reports (many on a regular basis) that indicated Council's continued monitoring of developments but with no outstanding concerns.

1. Victoria Auditor-General's Office Strategy Memorandum for the financial year ended 30 June 2023.
2. Recommended approval in principle of two Quarterly Financial Statements.
3. Reviewing the Chief Executive Officer's Questionnaire to Directors.
4. Noting the Chief Executive Officer's update including the new organisation structure, Flood impacts (financial, business continuity and recovery planning), public disruption of Council meetings in Victoria and Moira audit self-assessment review.
5. Noting the approval process for the Chief Executive Officer's and the CEO's Executive Assistant's credit card transactions.
6. Noting a Policy Register Report.
7. Review Audit Committee Annual Plan report
8. Review and assess adequacy of Audit Committee Charter.
9. Review the Business Continuity Plan.
10. Review Corporate Credit Card Policy.
11. Review Council Financial reserves report.
12. Review Draft 2023/24 Annual Budget
13. Noting Procurement Threshold exemption report.
14. Review Implementation of Previous Audit Actions report.
15. Noting Internal Audit's Report into its Review of Customer requests and Complaints.
16. Noting Internal Audit's Report into its Review of Implementation of Previous Actions.
17. Noting the Policies and Plans that have been recently adopted by Council.

In broad terms, the Committee is of the view that Council is adequately addressing known risks. There are no risks regarding which the Committee has developed a specific or heightened concern.

Council Plan/Strategies/Policies

The role and activity of the Audit and Risk Committee supports the Council Plan 2021-2025 with particular regard to risk management and governance.

This report is a requirement of the Audit and Risk Committee Charter adopted by Council.

Relevant Legislation

The Audit and Risk Committee is established by Council in accordance with the requirements of the Local Government Act 2020. The members of the Audit and Risk Committee are governed by a Charter adopted by Council.

Financial Implications and Risk

This report identifies no further risks than are identified by Council officers and as reported regularly as part of the minutes of the Audit and Risk Committee Minutes.

Conflict of Interest

There are no declared conflicts of interest by Audit and Risk Committee members in relation to this report.

Community and Stakeholder Consultation

No external community or stakeholder consultation was undertaken or required for this report

Conclusion

The Committee benefits from the combined knowledge of Councillor and independent members during meetings. As Chair, I would like to acknowledge the contribution of all members who perform their responsibilities with diligence and professionalism. I also acknowledge the contribution of our audit representatives from RSD and HLB Mann Judd.

The Committee also enjoys a strong working relationship with Council staff and I would like to record my appreciation of the work undertaken by staff in supporting the Committee, particularly regular attendees and presenters at Committee meetings.

Dr Craig Nisbet
Chair, Audit & Risk Committee
For and on behalf of the Audit & Risk Committee

14 September 2023