



**Murrindindi**  
Shire Council

# Audit and Risk Committee Meeting

## Minutes

Thursday 7 December 2023  
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 apologies or requests for leave of absence tendered.

### **Present:**

Councillors J Walsh (Chair), K Haslam, S Carpenter, I Gerencser, E Lording, S McAulay, Claude Baxter, Craig Nisbet, Steve Schinck

### **In attendance:**

Chief Executive Officer: Livia Bonazzi  
 Director People & Corporate Performance: Michael Chesworth  
 Director Community & Development: Andrew Paxton  
 Director Assets & Environment: Caroline Lintott  
 Acting Manager Governance and Risk: David Echeverry

## **3 DISCLOSURE OF INTEREST OR CONFLICT OF INTEREST**

Nil.

## **4 CONFIRMATION OF MINUTES**

### **4.1 Confirmation of Minutes**

Minutes of the Audit and Risk Committee Meeting held on 14 September 2023.

## **RESOLUTION**

**Claude Baxter / Craig Nisbet**

**That the minutes of the Audit and Risk Committee Meeting held on 14 September 2023 be confirmed.**

**CARRIED**

## 5 REVIEW ANY BUSINESS ARISING FROM PREVIOUS MINUTES

## 6 RISK MANAGEMENT

### 6.1 CEO's Questionnaire

Attachment(s)	1. Attachment 1 - Audit and Risk Committee - CEO Questionnaire - 30 November 2023 [6.1.1 - 3 pages]
Presenter	L Bonazzi, Chief Executive Officer
Approved by	Chief Executive Officer
Purpose	For decision

The Chief Executive Officer will present this at the meeting.

### **RESOLUTION**

**Claude Baxter / Sandice McAulay**

**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 will provide a verbal update on the following matters:

- Election of the Mayor and Deputy Mayor and the Portfolio appointments
- Vito Albicini' s departure and Interim Director Assets & Environment Caroline Lintott
- VEC state elections – ratepayer opt-in
- Flood Recovery out of pocket cost mitigation approach
- Emergency Management function alignment – Strategic planning focus including bushfire season, then cybersecurity response preparedness

### **RESOLUTION**

**Claude Baxter/ Steve Schinck**

**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 - November 2023 [6.3.1 - 13 pages] 2. Attachment 2 - Operational Risk Report - November 2023 [6.3.2 - 8 pages]
Presenter	D Echeverry, Acting 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**

**Claude Baxter / Craig Nisbet**

**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 Review Public Interest Disclosure Arrangements & Reports

Attachment(s)	1. Attachment 1 - Policy - Public Interest Disclosures - Adopted 2023-03-01 [6.4.1 - 8 pages]
Presenter	D Echeverry, Acting Manager Governance & Risk
Approved by	Director Corporate & Shared Services
Purpose	For noting

#### Executive Summary

The purpose of this report is to provide an update to the Audit and Risk Committee regarding Council's Public Interest Disclosures Policy and any disclosures received.

#### **RESOLUTION**

**Craig Nisbet / Claude Baxter**

**That the Audit and Risk Committee note the Public Interest Disclosures report.**

**CARRIED**

## 6.5 Reports & Publications of Interest to Local Councils

Attachment(s)	1. Attachment 1 - Local Government - Recent Reports and Publications ( November 2023) [6.5.1 - 18 pages]
Presenter	HLB Mann Judd
Approved by	Manager Governance & Risk
Purpose	For information

HLB Mann Judd will present this report.

### **RESOLUTION**

**Craig Nisbet / John Walsh**

**That the Audit and Risk Committee note the Recent Reports and Publications presented by HLB Mann Judd.**

### **CARRIED**

## 6.6 Review of CEO and Executive Assistant's Credit Card Expenditure

Attachment(s)	Nil
Presenter	C Nickels-Beattie, Manager Business 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) credit card transactions for noting.

### **RESOLUTION**

**Craig Nisbet / Steve Schinck**

**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 July 2023 to 30 September 2023 have been appropriately approved.**

### **CARRIED**

## 6.7 Review CyberSecurity Framework and Incidents

Attachment(s):

- Attachment 1 - Phriendly Phishing Report 17 11 2023 [6.7.1 - 3 pages]

### Purpose

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 recent potential cyber security events.

### **RESOLUTION**

**Steve Schinck / Claude Baxter**  
 That the Audit and Risk Committee note the report.

**CARRIED**

## 7 AUDITS - INTERNAL

### 7.1 Review Internal Audit Reports & Management Responses

Attachment(s)	1. Attachment 1 - Review of Fraud Control (incl. awareness survey) - Final Report [7.1.1 - 38 pages]
Presenter	HLB Mann Judd
Approved by	Director Corporate & Shared Services
Purpose	For decision

HLB Mann Judd will present this report.

### **RESOLUTION**

**Sandice McAulay / Claude Baxter**  
 That the Audit and Risk Committee note the “Review of Fraud Control” Audit Report.

**CARRIED**

### 7.2 Follow up Significant Issues Raised by Internal Audit

Nil to report.

### 7.3 Review Implementation of Previous Audit Actions

Attachment(s)	1. Attachment 1 - Audit Recommendations Summary Report - September - November 2023 [7.3.1 - 16 pages]
Presenter	D Echeverry, Acting 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 regarding the implementation of previous audit actions.

#### **RESOLUTION**

**John Walsh / Claude Baxter**

**That the Audit and Risk Committee note the Internal Audit Recommendations Summary report – December 2022 as contained in Attachment 7.3.1.**

#### **CARRIED**

### 7.4 Committee to Meet with Internal Auditors without officers present

This item provides an opportunity for a closed discussion with 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.

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

Attachment(s)	1. Attachment 1 - MSC Follow Up Review - Draft IA Plan [7.5.1 - 5 pages]
Presenter	HLB Mann Judd
Approved by	Director People & Corporate Performance
Purpose	For information
HLB Mann Judd will present this report.	

#### **RESOLUTION**

**Sandice McAulay / John Walsh**

**That the Audit and Risk Committee note the Review & Recommend Internal Audit Plan & Resourcing presented by HLB Mann Judd.**

#### **CARRIED**



## 8 AUDITS - EXTERNAL

## 9 FINANCIAL REPORT

### 9.1 Review Significant Accounting & Reporting Issues

Nil to report.

### 9.2 Review Quarterly Financial Statements

Attachment(s) 1. Attachment 1 - Financial Statements September 2023 [9.2.1 - 4 pages]

Presenter Cheryl Nickels-Beattie, Manager Business Services  
 Approved by Director Corporate & Shared Services  
 Purpose For decision

#### **Executive Summary**

This report was received at the October 2023 Council meeting. It provides the quarterly financial report for the period ending 30 September 2023. It includes a reconciliation of the carry forward and other quarterly adjustments to the 2023/24 Annual Budget. The Annual Revised Budget forecasts an operating surplus for the year of \$4.9 million, which is an increase of \$3.7 million on the Original Adopted Budget and primarily reflects a significant increase in grant income.

### **RESOLUTION**

#### **Claude Baxter / Craig Nisbet**

**That the Audit and Risk Committee note the Quarterly Financial Report to 30 September 2023, which includes the Revised 2023/24 Annual Budget incorporating the carry forward budgets from the 2022/23 financial year and other adjustments for the period ending 30 September 2023, as presented to the October Council meeting.**

### **CARRIED**

## 10 MANAGEMENT REPORTING

### 10.1 Local Government Performance Reporting Framework

Attachment(s) 1. Attachment 1 - LGPRF 2022-23 MSC Results year on year [10.1.1 - 4 pages]

Presenter C Nickels-Beattie, Manager Business 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 the 2022/23 Local Government Performance Reporting Framework (LGPRF) results. These results will be published on the Know Your Council website in December 2024.

## RESOLUTION

**Craig Nisbet / Steve Schinck**  
**That the Audit and Risk Committee notes the 2022/23 Local Government Performance Reporting Framework (LGPRF) results.**

## CARRIED

### 10.2 Rates and Other Debtor Management

Attachment(s) Nil  
 Presenter C Nickels-Beattie, Manager Business Services  
 Approved by Director Corporate & Shared Services  
 Purpose For noting

### Executive Summary

This report is to update the Audit and Risk Committee (Committee) on the status and trend of rate collections and to inform the Committee of Council's prior approval to proceed with legal action to sell land to recover unpaid rates in accordance with Section 181 of the *Local Government Act 1989*.

## RESOLUTION

**Craig Schinck / Claude Baxter**  
**That the Audit and Risk Advisory Committee note the Rate Debtor Management Report.**

## CARRIED

### 10.3 Review Insurance Coverage and Claims Management

Attachment(s) 1. Attachment 1 - Factsheet- Work Cover- Scheme-modernisation- Average-premiums-2023-24 [10.3.1 - 2 pages]  
 Presenter D Echeverry, Acting Manager Governance & Risk

Approved by Director Corporate & Shared Services  
 Purpose For noting

### **Purpose**

The purpose of this report is to provide the Audit and Risk Committee with the high-level update regarding the management of Council's insurance suite including workers compensation and the annual premiums.

### **RESOLUTION**

**Claude Baxter / John Walsh**  
**That the Audit and Risk Committee note the Insurance Management report.**

### **CARRIED**

#### **10.4 Procurement Framework Compliance - Including exemptions**

Attachment(s) 1. Attachment 1 - Procurement Exemptions Register - November 2023 [10.4.1 - 1 page]

Presenter D Echeverry, Acting Manager Governance & Risk  
 Approved by Director Corporate & Shared Services  
 Purpose For noting

### **Executive Summary**

The purpose of this report is to present the Procurement Framework Compliance - Including procurement exemptions to the Audit and Risk Committee for review and noting in accordance with section 4.3.4 of Council's Procurement Policy 2022-2026.

### **RESOLUTION**

**Craig Schnick / Sandice McAulay**  
**That the Audit and Risk Committee note the Procurement Framework Compliance - Including exemptions report.**

### **CARRIED**

#### **10.5 Review Other Integrity Policies & Procedures**

Attachment(s) Nil

Presenter D Echeverry, Acting Manager Governance & Risk  
 Approved by Director Corporate & Shared Services  
 Purpose For noting

### **Executive Summary**

The purpose of this report is to share with the Audit and Risk Committee the key Council Policies and Plans that have been adopted since the last meeting. This is to ensure the Committee is aware of the strategic documents being implemented by Council to support the management of risk and ensure legislative compliance.

The following policies and plans are located on Council's website for viewing. Please visit <https://www.murrindindi.vic.gov.au/Your-Council/Publications/Policies>  
<https://www.murrindindi.vic.gov.au/Your-Council/Publications/Council-Plans>  
<https://www.murrindindi.vic.gov.au/Your-Council/Publications/Strategies>

#### Customer Service Policy – 25 October 2023

The review took into consideration the changing preferences of our customers to contact and engage with Council more regularly via electronic and online mediums, in addition to more traditional means. The review also improves the alignment of this Policy with Council's approach to complaint handling and the promises outlined in Council's soon to be released revision to its Customer Service Charter.

#### Climate Change Action Plan (CCAP) – 25 October 2023

The Climate Change Action Plan is the key approach to realise the targets and policies set out in the Climate Change Policy 2022. Earlier public input guided development of the CCAP to achieve net zero by 2035 and to support the community to adapt to the impacts of climate change.

#### Arts and Culture Policy – 27 September 2023

The Arts and Culture Policy provides the framework for Council's role in supporting and enabling the arts and cultural activities across the Shire. The revised Arts and Culture Policy has been prepared following internal review of the 2019 Arts and Culture Policy.

## **RESOLUTION**

**Claude Baxter / John Walsh**

**That the Audit and Risk Committee note the Policies and Plans that have been recently adopted by Council.**

**CARRIED**

## **11 GENERAL BUSINESS AND FUTURE PLANNING**

### **11.3 Confirm Terms & Appointments of Committee Members (advice)**

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

The Audit and Risk Committee Charter states that appointments of external committee members shall be made by Council by way of public advertisement and be for a term of three years. Independent members of the Committee will be eligible to apply for a maximum of two consecutive three-year terms.

The following is a summary of the independent membership status:

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<b>Independent Member</b>	<b>Initial appointment by Council</b>	<b>Date of last appointment</b>	<b>Expiry of current term</b>
Craig Nisbet	26 February 2020	28 June 2023	30 June 2026
Claude Baxter	27 July 2018	25 August 2021	30 June 2024
Steve Schinck	24 August 2022	24 August 2022	30 June 2025

At its 16 November 2022 Scheduled Meeting Council appointed the following Councillors to the Audit and Risk Committee for a one-year term:

- Cr J Walsh
- Cr S McAulay
- 1 alternate Councillor (optional) Cr S Carpenter

## **RESOLUTION**

**John Walsh / Claude Baxter**

That the Audit and Risk Committee note this report regarding the terms and appointment of committee members.

## **CARRIED**

**12 OTHER REPORTS**

**13 NEXT MEETING**

### **13.1 Next Meeting**

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