



Biannual audit and risk report

Period 1 July 2023 to 31 December 2023

Objectives and scope

- (1) The Audit and Risk Committee (the Committee) is a Committee established by Council under section 53 of the *Local Government Act 2020* (the Act) on 25 August 2020 to undertake the following functions and responsibilities:
 - (a) monitor the compliance of Council policies and procedures with the overarching governance principles and the Act and the regulations and any Ministerial directions;
 - (b) monitor Council financial and performance reporting;
 - (c) monitor and provide advice on risk management and fraud prevention systems and controls;
 - (d) oversee internal and external audit functions.

Membership

- (2) The Committee comprised 4 independent members and 2 Councillors.
- (3) The independent members were Mr Vito Giudice, Mr Gavan Nolan, Mr Matt Fagence and Ms Jane Watson.
- (4) The Councillor representatives were Deputy Mayor Cr Harry Bussell (until 28 November 2023) and Cr Jack Herry. Mayor Cr Dean Rees replaced Cr Harry Bussell as a councillor member of the Committee by Council resolution on 28 November 2023.
- (5) The chairperson was Mr Vito Giudice. Mr Giudice was unanimously endorsed by the Committee as Chairperson for a period of one year on 7 March 2023.

Meetings

- (6) The Committee met 3 times during the period of 1 July 2023 – 31 December 2023:
 - (a) 8 August 2023
 - (b) 19 September 2023 (Special Meeting)
 - (c) 5 December 2023

Attendance

- (7) The following table shows meeting attendance by members.

Member	8 August	19 September	5 December	Total
Ms Jane Watson	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3/3
Mr Gavan Nolan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2/3
Mr Vito Giudice	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3/3
Mr Matt Fagence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3/3
Cr Jack Herry	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3/3
Deputy Mayor Cr Harry Bussell	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	1/2
Mayor Cr Dean Rees	N/A	N/A	<input type="checkbox"/>	1/1

External audit

- (8) The Final Management Letter for the financial year ending 2023 was issued by VAGO on 11 October 2023. This Letter provided VAGO assurance over Council's 2022-23 Financial Report and Performance Statement.
- (9) The external audit actions due for completion during the period included:



Open item	Findings	Recommended management action
2023.3 Asset management system	It was identified in our review of Council's building valuation that Council's asset management system does not include building and infrastructure asset dimensions. Accurate dimensions in the asset management system is a key element for accurate financial reporting when assets use componentised costs to determine gross replacement cost.	We recommend management review their asset management system and the appropriateness of recording dimensions for componentised assets. 31 December 2023
2019.8 Excessive annual leave	During the year end audit we noted that the number of staff with excessive annual leave in excess of 300 hours had increased from 38 to 43.	We recommend Council continue to monitor leave balances and develop strategies to manage accrued leave balances over an appropriate period. If leave liabilities can be kept to a minimum the risks associated with such liabilities can be reduced. 31 December 2023

Monitor compliance of policies and procedures

(10) The Committee considered the Complaints Policy, Public Transparency Policy, Risk Management Policy, Public Interest Disclosure Policy during this period and provided a number of actions for policy development and improvement.

Financial and performance reporting

(11) The Committee reviewed the quarterly budget and performance reports.

Risk management

(12) The Committee considered Council's strategic and operational risks and were provided with an update on emerging sector risks during this period.

(13) Complaints and Operational Health and Safety business risk presentations were provided during this period.

(14) The Committee reviewed councillor expense reimbursements and CEO credit card expenses during the period.

Internal audit

(15) The following internal audit projects were completed:

- (a) Project Management
- (b) Data Analytics – Supplier Payments
- (c) Past Issues

(16) Management implementation of internal audit actions is monitored and reviewed at each Committee meeting. Fourteen actions were due for completion during the period of 1 July –

31 December (five actions arising from the 2023 Business Continuity internal audit, one from the 2021 Contractor Management Review internal audit, one from the Environmental and Sustainability internal audit, six from the 2022 Fraud and Corruption Control internal audit and one from the 2018 IT security review internal audit).

- (17) Of these actions, two were completed and reported to the Committee during this period and the remaining twelve are recorded as off track as of the time of this report.
- (18) There were three Committee actions due for completion during this period, one of which was complete and reported to the Committee.