



14.2 **AUDIT AND RISK COMMITTEE BIENNIAL REPORT**

EXECUTIVE MEMBER: **KYLIE BENNETTS, GENERAL MANAGER, CITY GROWTH AND ORGANISATIONAL CAPABILITY**

PREPARED BY: **JULIE SNOWDEN, COORDINATOR RISK AND ASSURANCE**

1. PURPOSE

1.1 To present the Audit and Risk Committee Biannual Report as at 31 December 2021.

2. EXECUTIVE SUMMARY

2.1 Council is required by the Local Government Act 2020 (the Act) to establish an Audit and Risk Committee (the Committee) as an advisory committee of Council.

2.2 Under the Act, and as captured in the updated Audit and Risk Committee Charter endorsed by Council 5 August 2020, the Audit and Risk Committee must prepare a biannual report on activities to Council. This paper satisfies this reporting requirement.

2.3 The last update provided to Council was the presentation of the Audit and Risk Committee Annual Report 2019/20 on 16 September 2020.

3. RECOMMENDATION

That Council:

3.1 Notes the Audit and Risk Committee Biannual Report as at 31 December 2021, which details activities of the Committee covering the meetings held on 8 September 2020 and 17 December 2020.

4. KEY POINTS/ISSUES

4.1 Matters considered by the Committee at its 8 September 2020 meeting were:

4.1.1 Chief Executive Officer's Report

The Committee noted the overview from the CEO on key activities, including an update on the Council Plan, Budget & Strategic Resource Plan and the draft Report of Operations – Annual Report 2019/20; environmental scanning work for the new Council Plan and summer management planning.

They also noted the Chief Executive Officer's Reports 66, 67 & 68.

4.1.2 Strategic Risk and Internal Audit

The Committee noted the regular SRIA update, including an update on Council's implementation plan to ensure compliance with the Act, the establishment of the South Melbourne Market as a Special Advisory Committee and the MAV Workcare Scheme. The Committee also noted the Internal Audit Recommendations Status Report.

4.1.3 Assurance Activities Update

The Committee discussed the audit findings from the following audits: Events and Festivals Management; Child Safe Standards #5 and noted the scopes for a COVID Health Check and Freedom of Information compliance testing and the Internal Audit Plan status report 2020/21.



The Committee also noted the recent Issues Brief as tabled by our Internal Auditor – Pitcher Partners and our Audit Universe document.

4.1.4 External Audit

External Auditor representatives from HLB Mann Judd discussed the performance statements and closure reports, commending the CFO and the finance team for their efforts, particularly given the challenging environment of being audited remotely. No issues were identified in the focus areas.

The Committee noted the management representation letter and the review of Asset Revaluation and Depreciation Methods and recommended the annual financial statements and performance statement 2019/20 for adoption by Council in principle with some minor amendments.

4.1.5 Compliance Monitoring

The Committee noted the regular compliance and OHS update reports, along with the Vendor Procurement Update.

4.1.6 Financial Monitoring

The Committee noted the financial sustainability standing report.

4.1.7 Supplementary Reports

The Committee noted the following report: Update on COVID Grants.

4.1.8 Audit & Risk Committee Annual Report 2019/20

The Committee endorsed the draft Audit & Risk Committee Annual Report 2019/20 subject to minor changes for tabling with Council.

4.2 Matters considered by the Committee at its 17 December 2020 meeting were:

4.2.1 Proposed 2021 Annual Calendar of Activities / Workplan

The Committee were presented with a refreshed annual calendar of activities / workplan to ensure compliance with new Act requirements. The Committee accepted the proposal with some minor changes.

4.2.2 Chief Executive Officer's Report

The Committee noted the overview from the CEO including an update on the Councillor induction and mandatory training; increased residential waste and contamination of recycling; parklets; summer management and return to the office for the organisation following the COVID restriction period. They also noted the Chief Executive Officer's Reports 69 & 70.

4.2.3 Strategic Risk and Internal Audit

The Committee noted the regular SRIA update, including progress of implementation requirements of the Act and details on a privacy breach.

4.2.4 Assurance Activities Update

The Committee discussed the audit findings from the following audits: Events & Festivals Management; Building Maintenance and Freedom of Information.

The Committee also noted the Internal Audit Recommendations Status Report; a review of the Internal Audit Charter; recent Issues Brief; and



management's response to the Victorian Ombudsman investigation into City of Ballarat 2020.

4.2.5 Compliance Monitoring

The Committee noted the regular compliance and OHS update reports, along with an MAV Workcare Briefing and a verbal update on Council's high-level compliance work plan.

4.2.6 Financial Monitoring

The Committee noted the financial sustainability standing report which included a verbal update provided by the CFO on the impacts of COVID to Council's long-term financial strategy; the Rates Collected and Rates Outstanding Report and the Quarterly financial review / Portfolio deliverability review.

4.2.7 Supplementary Reports

The Committee noted the following additional reports: Digital & Technology Services (DTS) six monthly update; South Melbourne market six monthly update; and Unreasonable Complaint Conduct report.

4.2.8 Annual Self-Assessment Survey Results

The Committee noted the report and the positive feedback.

4.2.9 Nomination of Chair for 2021

The Committee unanimously agreed to recommend to Council the appointment of Mr Densem as Chairperson for 2021.

5. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

5.1 Our commitment to you through improving community engagement, advocacy, transparency and governance.

6. OFFICER DIRECT OR INDIRECT INTEREST

6.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

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ATTACHMENTS Nil