



13.1 **AUDIT AND RISK COMMITTEE BIENNIAL REPORT AS AT 31 DECEMBER 2021**

EXECUTIVE MEMBER: **CLAIRE STEVENS, GENERAL MANAGER, GOVERNANCE 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* (LGA) to establish an Audit and Risk Committee (the Committee) as an advisory committee of Council.

2.2 Under the LGA, the Audit and Risk committee must prepare a biannual report on activities to Council.

2.3 This paper satisfies this reporting requirement.

2.4 The last update provided to Council was the presentation of the Audit and Risk Committee Biannual Report as at 30 June 2021.

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 scheduled meetings held on 7 September 2021 and 23 November 2021 and one special Councillor Expenses meeting held on 4 August 2021.

4. KEY POINTS/ISSUES

4.1 The special Councillor Expenses meeting held on 4 August 2021 was held to discuss what opportunities might be available to increase the accessibility of childcare provisions in the Councillor Expenses and Support Policy.

4.2 Matters considered by the Committee at its 7 September meeting were:

4.2.1 Chief Executive Officer's Report

The Committee noted the overview from the CEO on key activities, including an update on Workforce Utilisation, Summer Management preparedness and the growing issue of Vexatious Customers.

They also noted the Chief Executive Officer Reports 76 and 77 and the Council Plan (Year 1) including the Municipal Health and Wellbeing Plan, the Financial Plan, the Revenue and Rating Plan and the annual Budget.

4.2.2 Strategic Risk and Internal Audit (SRIA)

The Committee noted the regular SRIA update, including an update on COVID and Vaccine risks, the MAV Workcare Scheme and changes to



legislation making Council's responsible for maintenance and repairs of municipal bridges. The Committee also noted the Internal Audit Recommendations Status Report.

4.2.3 Assurance Activities Update

The Committee discussed the audit findings from the following audits: TechOne Financial Controls and Tree Management and agreed the scopes for the following audits and compliance testing: Cyber Security and Governance, Compliance Framework, Independent Contractor Engagement and Councillor Expenses follow up.

The Committee also noted the Internal Audit Plan status report 2020/21 and the rolling three-year plan.

4.2.4 External Audit

External representatives from HLB Mann Judd, the agent appointed by the Victorian Auditor General's Office (VAGO) discussed the performance statements and interim closure reports, commending the chief financial Officer and the finance team for their efforts, particularly in response to the ongoing challenging environment of being audited remotely.

The Committee noted the management representation letter and recommended the annual accounts and the performance statement for adoption by Council in principle. The Committee also noted the review of Asset Revaluation and Depreciation Methods report.

4.2.5 Compliance Monitoring

The Committee noted the regular Compliance update and the Occupational Health and Safety (OHS) update, as well as an update on Child Safe Reporting and the annual Procurement and Vendor Compliance update.

4.2.6 Financial Monitoring

The Committee noted the financial sustainability standing report and the Rates Collected and Rates Outstanding Report.

4.2.7 General / Supplementary Reports

The Committee noted the following reports: Biannual DTS Internal Controls update, an update on Climate Change Risk and an update on the Customer Experience Program.

4.3 Matters considered by the Committee at its 23 November 2021 meeting were:

4.3.1 Chief Executive Officer's Report

The Committee noted the overview from the CEO on key activities, including an update on the Service Delivery Vaccination Policy approved by Council and the Workforce Vaccination Policy; turnover; the draft Workforce Plan; and the Organisational Realignment.

They also noted the Chief Executive Officer Reports 78, 79 & 80.

4.3.2 Strategic Risk and Internal Audit (SRIA)



The Committee noted the regular SRIA update, the annual Insurance Update, an update on the Energy Safe Victoria – Electric Line Clearance Audit and the Internal Audit Recommendations Status Report.

4.3.3 Assurance Activities Update

The Committee noted a verbal update on the following audits whilst management finalise responses: Compliance Framework and Cyber Security and IT Governance and agreed the scopes for the following audits: Asset Management and OHS Framework.

The Committee also noted the Internal Audit Plan status report 2020/21 and the Internal Audit Charter.

4.3.4 External Audit

The Committee noted the final VAGO Closing Report for the financial year ending 30 June 2021 and the Final Management Letter.

4.3.5 Compliance Monitoring

The Committee noted the regular Compliance update and the Occupational Health and Safety (OHS) update.

4.3.6 Financial Monitoring

The Committee noted the financial sustainability standing report, the quarterly Financial / Portfolio Deliverability Review and the Fixed Asset Accounting Policy.

4.3.7 General / Supplementary Reports

The Committee noted the following reports: South Melbourne Market six-monthly update; Project Management root-cause analysis results; Contracts and Procurement update; Customer Experience update – General Program, Service Delivery and Control Improvements.

4.3.8 Performance Evaluation

The Committee noted the results of the Self-Assessment Survey on its own performance.

4.3.9 Membership Expirations

The Committee nominated an independent member as Chairperson for the 2022 calendar year – pending consideration from Council under separate report February 2022.

5. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

5.1 Strategic Direction 5 – Well Governed

6. OFFICER DIRECT OR INDIRECT INTEREST

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

ATTACHMENTS Nil