

Strathbogie Shire Council
**Audit and Risk Committee
Meeting Minutes**

2 December 2022
at 9.30 am

Euroa Community Conference Room

Minutes of the meeting of the Strathbogie Shire Council Audit and Risk Committee held on Friday 2 December 2022, commencing at 9.30 am.

Present

Paul Ayton (Chair)	Community Representative
Mark Freudenstein	Community Representative
Alister Purbrick	Community Representative (Virtual)
Alistair Thomson	Community Representative
Deputy Mayor Paul Murray	Council Representative
Cr David Andrews	Council Representative

Officers

Amanda Tingay	Acting Chief Executive Officer
Braydon Aitken	Manager Planning and Investment (in part)
Dawn Bray	Director People and Governance
Upul Sathurusinghe	Chief Financial Officer (Virtual in part)
Michelle Bromley	Coordinator Governance and Record Management
Kerry Lynch	Governance Officer (Minutes)

Auditors

Kate Scarce	Internal Auditors – AFS & Associates (Virtual)
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1. Welcome

2. Acknowledgement of Traditional Landowners

We acknowledge the Traditional Custodians of the places we live, work and play.

We recognise and respect the enduring relationship they have with their lands and waters, and we pay respects to the Elders past, present and emerging.

Today we are meeting on the lands of the Taungurung peoples of the Eastern Kulin nation, whose sovereignty here has never been ceded.

3. Apologies

Brad Eade	Internal Auditors – AFS & Associates
Julie Salomon	Chief Executive Officer
Mayor Laura Binks	Councillor Substitute Representative
Danielle McKenzie	External Auditors – Crowe Audit

4. Disclosure of Interests

Nil to report.

5. Confirmation of Minutes of Audit and Risk Committee held on:

Ordinary Meeting - 16 September 2022
Extra Ordinary Meeting - 19 September 2022
Policy review meeting - 7 October 2022

Moved: Alistair Thomson
Seconded: Cr Paul Murray

That the Minutes of the Meetings of the Audit and Risk Committee held on 16 September 2022, 19 September 2022 and 7 October 2022 be confirmed subject to the following changes:

To align commentary and financials across the Financial Report and Performance Statement in relation to the rehabilitation works at the Violet Town landfill. Clarification was provided that the total estimated cost of the project was \$2.7 million, with \$4,002k in future maintenance costs and a reversal of \$2,134k in materials and services made to reflect lower than expected rehabilitation project costs.

Carried

- 6. Business**
- 7. Standing Items**
- 8. Items raised by Committee Members**
- 9. Confidential Briefing with the Acting CEO**
- 10. Next Meeting**

6. BUSINESS

6.1 Audit and Risk Committee Appointments - Chair

At its meeting held on 25 March 2022, the Committee appointed Paul Ayton to the position of Chair following Mark Freudenstein's decision to step down from this role for the remainder of the term.

This term has now ended therefore the Committee is required to appoint an Independent Community Member to the position of Chair in accordance with section 53 of the *Local Government Act 2020* and under clause 3 of the Audit and Risk Committee Charter.

Moved: Mark Freudenstein
Seconded: Cr Paul Murray

That the Audit and Risk Committee appoint independent community representative Paul Ayton as Chair until December 2023.

Carried

6.2 Audit and Risk Committee Annual Performance Report January 2022 to December 2022

Clause 7 of the Charter of the Audit and Risk Committee requires the Committee Chair to prepare an Annual Committee Performance Report on the activities of Strathbogie Shire Council Audit and Risk Committee.

The review outlines the meetings held during the year, attendance by Committee members, key matters considered by the Committee and an analysis of performance against the Committee's Work Plan.

Across eight meetings, the Committee has considered the matters required of it by the *Local Government Act 2020* including:

- Three internal audits were completed by AFS and Associates, with a further two audits underway.
- Overseeing Council's short to long term financial management strategies, monitoring financial statements, the preparation of the 2022-23 Budget and the preparation of the statements which comprise the Annual Review.
- Oversight of management comments from the Victorian Auditor General's Office after completing an external audit of our financial statements.

Once reviewed and passed by the Audit and Risk Committee, this report will be provided to The Chief Executive Officer for consideration at an Ordinary Council meeting, once the Chair has briefed Council on its contents in early 2023.

The Committee noted that the report is a true reflection of the year's activity overseen by the Audit and Risk Committee.

**Moved: Mark Freudenstein
Seconded: Alistair Thomson**

That:

- 1. The Audit and Risk Committee, after having received and reviewed the report, endorse the Annual Committee Performance Report.**
- 2. The Chair present the endorsed Annual Committee Performance Report to the Chief Executive Officer.**
- 3. The Chair request the Chief Executive Officer for an opportunity to formally brief Council in early 2023.**
- 4. Once the Chair has briefed Council, the Chief Executive Officer list the Annual Committee Performance Report on the next available Council meeting agenda for review and noting.**

Carried

6.3 Appointment of Internal Auditor - Tender

The term of the contract for the current Internal Auditor, AFS and Associates Pty Ltd, ends in June 2023. The contract was issued in 2018 for an initial term of three years, with the option of a two (2) year option. This option was exercised due to the COVID 19 pandemic and the challenge of transitioning to the extensive internal audit requirements of the new *Local Government Act 2020*.

Given the lead time for the preparation of competitive tender documentation for a contract for an initial three (3) years with options for two additional 12-month terms, along with the process for advertising and evaluating the tenders received, it is considered prudent that Council receive a report around the tender process and timing at its February 2023 meeting.

The Audit and Risk Committee Charter identifies the role of the Committee in overseeing the internal function, as per section 52 (s)(d) of the *Local Government Act 2020*.

To this end, it is felt prudent that the Tender Evaluation Panel consist of two (2) members of the Committee, Council's Director People and Governance, Council's Chief Finance Officer and the Procurement and Tender Officer. This panel makes a recommendation to Council as to the appointment of an internal audit contractor and therefore does not, in itself, make the decision.

The Committee nominated Alistair Thomson and Mark Freudenstein to be representatives on the Tender Evaluation Panel.

A report on the progress of the tender process will be presented to the Committee in March 2023.

Moved: Cr David Andrews

Seconded: Cr Paul Murray

That the Audit and Risk Committee:

- 1. Notes the commencement of preparations to undertake a competitive public tender for the provision of internal audit services, offering an initial term of three (3) years with the option for Council to exercise two (2) additional twelve-month terms.**
- 2. Notes the nomination of Alistair Thomson and Mark Freudenstein to sit on the tender evaluation panel, along with the Director People and Governance, Chief Finance Officer and Procurement and Tender Officer.**

6.4 Goulburn Valley Regional Library Corporation Update and New Governance Model

Strathbogie Shire forms part of the Goulburn Valley Regional Library Corporation along with the City of Greater Shepparton and Moira Shire Council. The Corporation is overseen by a Board, comprised of a Councillor and executive representative, along with a community representative from each municipality.

The Library Corporation is in a relatively healthy financial position, with a surplus being reported to the November Board meeting of \$426,080. Several grants have been received by the Corporation this financial year, including the Premiers Reading Challenge and Living

Libraries funding for capital works for the Euroa library, which will commence in early 2023. An innovative library model has just been launched at Avenel, where a small collection of books is available from the community building and staffed by volunteers, with a professional Librarian visiting the site on Wednesday afternoons.

The current CEO, Kevin Preece, is resigning from the Corporation after nine years' service. Recruitment for a replacement is currently underway and the Director People and Governance is the Shire's representative on the interview panel. After an initial advertising process, three people were shortlisted, and will be interviewed in parallel with a second round of advertising. The new CEO is expected to be appointed by the Board in February 2023, with the provision of a short period of overlap with the term of the existing CEO.

One of the key challenges for the incoming CEO is the winding up of the Corporation given the *Local Government Act 2020* requires all library corporations to be wound up by 2030. The Board has decided to commence analysis of governance/service model options given this is a significant project, which may take over two years to complete.

A discussion paper on the options for a future governance model is currently being developed and will be discussed with the Committee in the first half of 2023. Councillors received a briefing from the Corporation's CEO in late November to mark the commencement of the governance model project.

The Audit and Risk Committee noted that Strathbogie Shire Council is currently in an advantageous position regarding membership of the Goulburn Valley Regional Library Corporation and that the current model is best suited to Council's needs in the short term.

Moved: Mark Freudenstein
Seconded: Alistair Thomson

That the Audit and Risk Committee note the update on the activities of the Goulburn Valley Regional Corporation.

Carried

6.5 Councillors Expenses 2021-2022

Councillor expenses are required to be collated and reported to the community through Council's Annual Report. The *Local Government Act 2020* states that legitimate expenses incurred by Councillors during the course of their duties can be reimbursed in accordance with a council expenses policy. There are also additional expenses in the form of travel, conferences, professional development, and ICT hardware.

Strathbogie Shire Council Expenses Policy was reviewed and adopted in October 2022. This Policy details the types of legitimate expenses that may be claimed, the documentation required to support a claim, the reimbursement approval process, and the other forms of financial and resource support to be provided to Councillors. The Policy states that quarterly reports will be provided to the Audit and Risk Committee.

The total expenses reimbursed to Councillors, along with the other costs met by the Administration to support the elected Council discharge its roles and responsibilities, have been calculated and formed part of the 2021-22 Annual Report adopted by Council in October 2022.

It was noted that all expenses are subject to resolution by Council and available to view on Strathbogie Shire Council website. Council reports and minutes reflect that attendances at conferences and events by Councillors is confirmed and reported back to the public.

Moved: Alistair Thomson
Seconded: Mark Freudenstein

That the Audit and Risk Committee note the CEO Councillors Expenses Report for the 2021-2022 financial year.

Carried

6.6 Audit and Risk Committee Charter Update

As part of its Work Plan, Council's Audit and Risk Committee is required to review its Charter annually. The Charter was last adopted by Council in December 2021. Several amendments to the Charter are recommended in the 2022 review including:

- Clause 3 to reflect the Council decision of 20 September 2022 to appoint a third Councillor (currently the Mayor) to be an alternate representative should any other Councillor representative be unable to attend to ensure quorums for all meetings
- Amend this same clause to state that the Mayor is to be one of the two permanent Councillor representatives to reflect the importance of the Committee's work
- Update Officer Title (Clause 3.1)
- Clarification that Councillor representatives will be appointed annually at the meeting where Councillors are appointed to various committees and bodies (Clause 3.2)
- Combination of Clauses 6 and 7 to avoid duplication
- Reference to the annual policy meeting and strategic planning meeting approved at the September Committee meeting (Clause 7.1)
- Clarification that the Director People and Governance review the minutes as well as the Chair (Clause 7.4)
- Updating of references to the Governance Rules (Clause 7.4)
- Updating of representatives (which may change at the 15 December Council meeting where Councillor representative will be appointed).
- Discussion on the process for authorisation of Chief Executive Officer expenses to ensure oversight and transparency.

Although the Committee noted these amendments, the Committee also suggested some additions that will further enhance the Audit and Risk Committee Charter:

- Increased diversity of committee membership ensuring that nomination forms and advertising reflect a more overt diversity balance
- That Councillor representation on the Audit and Risk Committee will be three (3), the Mayor being one permanent member and the third representative be a substitute should either of the two permanent members not be available to attend a meeting
- Clause 3.2 reflects that Councillors can be appointed for a maximum of "two consecutive terms"
- More emphasis be placed on regular training and development for Audit and Risk Committee members (Clause 3.3)
- Charter to reflect that the Audit and Risk Committee and Councillors meet at least annually

- With reference to clause 4.3.7 ensure that the Audit and Risk Committee has a broader oversight over the Business Continuity Plan and Disaster Recovery Plan
- With reference to clause 13, ensure that there is sufficient robustness around the induction of new committee members and that they are receiving the relevant information and briefings on their appointment

Action: Director Community and Planning to provide an update to the next Audit and Risk Committee meeting regarding the Disaster Recovery Plan and emergency recovery noting the external authorisations that affect these processes.

Moved: Mark Freudenstein
Seconded: Alistair Thomson

That the Audit and Risk Committee:

- 1. Endorse the updated Audit and Risk Committee Charter subject to the inclusion of the following changes:**
 - a) Insertion of an aim to increase gender diversity in the Committee's membership under clause 3
 - b) Exemption of the Mayor from the two consecutive one year term provision for Councillor representatives under clause 3.2
 - c) More emphasis be placed on regular training and development for Audit and Risk Committee members in clause 3.3
 - d) Insertion of reference under Clause 4 to meetings, held at least annually, between the Audit and Risk Committee and Councillors to allow for the presentation of the Committee's Performance Reports
 - e) Highlight oversight of emergency planning and recovery responses and periodic testing of these frameworks in clause 4.3.7
 - f) Amendment to clause 13 to highlight the need for ongoing annual training to enable Committee members to respond to significant changes and events in the operating environment.
- 2. Refer the Charter to Council for review and adoption.**

Carried

6.7 Mid-Year Budget Review Update

Officers are currently working through the med-year budget review, which is being run in parallel with entry of an initial draft budget.

Operating Budget

The mid-year surplus projected to increase by \$3 million (budgeted \$1.860m and Mid-Year \$4.862m). This is because of increased income of \$4.5 million, offset by an increase in expenditure of \$1.5 million.

The key contributors to this result are a carry forward unspent operating grant (\$424k), additional carry forward capital grant (\$2.596k for Foreshore Walk), additional grant income through the Finance Assistance Grant (\$129k) and \$1 million in flood recovery grants.

The additional expenses are mainly related to flood recovery (\$1m) and other minor increases.

Capital Budget

The capital works program is being reviewed as part of the mid-year review.

Based on current details we are expecting a \$8.1 million carry forward. With the adopted budget and mid-year forecasts, the capital program is at \$22.9 million.

In response to the October 2022 flood event, and the clear need to divert additional funds into roads, bridges, and other transport infrastructure, a line-by-line review of the capital works budget is underway. This also ensures that the review reflects a realistic picture of what can be delivered given flood impacts and the subsequent effects on the supply of contractors and materials.

The Director Community and Planning provided a summary of the implications of the October flood events:

- Management is working through the capital budget to determine what funds can be diverted to “Transport Infrastructure” which is vital to the economic recovery of the Shire
- Strathbogie Shire received an initial emergency payment of \$500k and a subsequent \$500k follow up payment
- Financial support had been made available for mosquito eradication and waste management projects, as well as support packages for Agriculture, Sport, and Recreation groups
- Increasing challenges are arising around the availability of contractors and materials to determine what projects can actually be delivered
- Some current grant and funded contracts are subject to time restrictions. The State Government has provided some flexibility around this given the flood circumstances; however, it was noted although the contracts are secure, they still need to be managed and increases in pricing may affect whether there is sufficient funding to complete some projects
- Council has approved additional funding for projects to reflect price increases, and the recovery Team is trying to secure contractors as soon as possible to complete works
- The Capital budget is looking at flood recovery over three years with a focus on mitigation in the future
- Assessments are still underway to determine the final figure for insurance claims and flood recovery funding:
 - Impact assessment have been undertaken of most primary residences
 - Not all roads have been assessed to date
 - Tree Management Plan wording will need to be amended to reflect flood impact and recovery
 - Kirwan’s Bridge will require significant funding to be fit for purpose
 - Clarification will be required about flood recovery funding and what/if support will be available from State and Federal Governments beyond the current Disaster Relief Recovery Funding

The Committee reiterated its concern regarding how Council continues to manage business as usual with the current operational expectations and risks. It was noted that the 2021-25 Council Plan will need to be revised to reflect current financial aberrations, and Council will need to be more realistic about what projects can actually be delivered and how the projects are prioritised.

Council will be presented with the mid-year review at its February 2023 meeting.

Moved: Cr Paul Murray
Seconded: Cr David Andrews

That the Audit and Risk Committee note the verbal update on the Mid-Year Review.

Carried

6.8 Electoral Representation Review

The CEO received a letter from the Victorian Electoral Commission (VEC) recently informing Council that the Minister has appointed an Electoral Representation Review Panel to review the municipality's electoral structure. Council has been informed that the review will commence on 1 February 2023 and is expected to conclude by 17 May 2023. The Act states that the review must be conducted and implemented prior to the October 2024 general election.

The *Local Government Act 2020* (sections 14 – 16) introduced sweeping changes to the electoral representation review process. The Electoral Representation Review Panels recently appointed by the Minister are the first to be created under this new legislation. The purpose of the Panel is to provide the Minister with advice prior to the issue of an Order in Council regarding the new representation model.

Under section 16(7), the Minister may request the Panel to consider any or all of the following:

- (a) the total number of Councillors to be elected for the Council
- (b) what the boundaries of any ward or wards of the municipal district of the Council should be
- (c) subject to the Minister first publishing a notice under section 13(5) in relation to a Council, or a specific type of Council, whether the municipal district of the Council should be un-subdivided
 - (ca) subject to the Minister first publishing a notice under section 13(5A) in relation to a Council, or a specific type of Council, whether the municipal district of the Council should be constituted in accordance with section 13(4)(c)
- (d) any other matter relating to the electoral structure of the Council that the Minister requires advice on.

We have not been provided with a copy of the terms of reference for the Panel at this point in time. The Act states that the electoral structure must provide fair and equitable representation, while facilitating good governance. The 2020 Act introduced clear models for electoral structures. Small shires such as Strathbogie may have one of the following models:

- Unsubdivided or
- Single-councillor wards or
- Multi-councillor wards with an equal number of councillors per ward.

Community engagement is required to be undertaken under section 16(10). There is no prescription around what form of engagement is required but it is noted the Act does not prescribe deliberative engagement, such as that Council is required to undertake when making key decisions. Electoral roll data has already been requested by the VEC, who is required under the Act to provide administrative support to the Panel.

The Director People and Governance advised that \$30,000 has been budgeted to undertake the review, and a report has been prepared for the December 2022 Council Meeting and makes the following recommendations:

That Council:

1. *Write to the Minister for Local Government, the Hon Melissa Horne, requesting the following:*
 - (a) *a deliberative engagement process be undertaken by the Electoral Representation Advisory Panel across our municipal district to gain a broad cross section of views in forming their on the future representation model for Strathbogie Shire Council*
 - (b) *an extension of the timelines for the review to allow for meaningful deliberative engagement to be undertaken*
 - (c) *the cost of the electoral representation review be met by Local Government Victoria given the averse, long term financial impacts of the October 2022 flood event.*
2. *Receive a further report at its February 2023 meeting to identify a position to advocate to the Electoral Representation Review Panel.*

An update on the outcomes of the recommendations will be provided at the Audit and Risk Committee meeting in March 2023.

Moved: Mark Freudenstein
Seconded: Alistair Thomson

That the Audit and Risk Committee note the update on the appointment of an Electoral Representation Review Panel for Strathbogie Shire and the proposed recommendations to Council, subject to recommending to Council that the Minister for Local Government be requested to defer the electoral review process for at least six months.

Carried

7. STANDING REPORTS

7.1 Internal Audit Program Status Update and Industry Update

The updated Strategic Internal Audit Program Status was presented, and the following outcomes were noted:

- The Rates and Revenue Audit was undertaken in November 2022 and a draft report is in progress. The final report will be presented to the Audit and Risk Committee meeting in March 2023.
- The Waste Management Audit has been deferred due to flood recovery impacts. No rescheduled date has been set at the time of this meeting. The Committee recommended that the scope for this audit be expanded to incorporate a review of contract management procedures over the Waste Collection Services contract.
- The Environmental Sustainability and Climate Change Audit is scheduled for late March 2023.

The Industry update publication was noted with the Internal Auditor drawing attention to the release of Cyber Security Governance Principles published by the Australian Institute of Company Directors. The framework provides practical oversight across five key areas:

- Roles and responsibilities
- Cyber strategy development and evolution
- Incorporating cyber into risk management
- Building a cyber resilient culture
- Preparing and responding to a significant cyber incident

7.1.1 Planning Department Audit

The final report of the Internal Audit of the Planning Department has been received from AFS Partners and has been reviewed by Officers. Officers have agreed with all the recommendations in the audit report, the Manager Planning and Investment addressed the meeting advising of progress to date on outstanding matters.

The Internal Auditors noted that although there is a clear understanding of how things happen, there is a lack of documented policies and procedures supporting Statutory Planning operations. There is also scope to strengthen the framework within which planning permit applications are received, considered, and managed by:

- Defining the approach for the management of Conflict of Interest
- Developing a service level plan for the Statutory Planning function
- Investigating implementation of an online payment platform for planning applications to make payment of the application fee mandatory at the time an application is submitted.

The Internal Auditors also noted that two previous recommendations made in the 2015 review of Statutory Planning had not been addressed:

- Defining a methodology for determining high risk and complex applications to ensure they are managed by appropriately experienced staff
- Considering planning application risks within the organisational risk register

Committee members advised that:

- They had concerns around the timeframes for completion of some of the recommendations and felt deadlines should be bought forwards.
- They felt that the Conflict of Interest rating relating to planning as a minor risk is an underestimation, and that the risk of the department should be increased to high
- That planning will be noted as an area of concern by the committee and will be closely monitored.

The Director Community and Planning provided feedback around process improvements and application of a "Better Approvals Process". This may account for some of the extended timeframes for completion of recommendations. It is felt that this approach would not only close out the recommendations, but would provide greater robustness and vigour around planning processes in the future.

All the recommendations from the audit have been added to the "Summary of Progress in Addressing Recommendations of the Internal Audit Program" for monitoring.

Moved: Cr David Andrews
Seconded: Cr Paul Murray

- 1. That the Audit and Risk Committee note the Planning Department Audit (August 2022) Internal Audit Report.**
- 2. That the Audit and Risk Committee note the Program Status Update Progress and Industry Update, with the recommendation that the scope for the forthcoming waste management audit be expanded to incorporate a review of contract management performance and procedures in relation to the Waste Collection Services contract.**

Carried

7.2 Outstanding Internal Audit Items Update

There has been some progress towards completion of outstanding tasks in the past quarter.

The Manager Digital Innovation and Technology has a number of new projects to deliver, therefore The Director People and Governance will complete the ICT Strategy which has been outstanding for some time. A rewrite of the ICT Strategy will partially respond to an alignment with the digital partnership between Strathbogie/Benalla/Mansfield/Murrindindi Shires and may reflect a greater move to Cloud based models.

The Committee felt that Business Continuity Planning should be listed as high risk in the Strategic Risk Register and sought clarification as to whether:

- A Business Continuity Plan is in place, and
- Has the plan been tested?

Officers advised that although they are not well documented there are operational and ICT plans in place. ICT testing is regularly undertaken, and it was felt that ICT operations would continue to function in the event of a crisis.

The Committee noted that it has concerns about outstanding OHS matters which is a high risk area for the organisation and urged management to put more effort into this area. The Director People and Governance advised that:

- The organisation is currently without a Corporate Risk Officer (the current officer is on maternity leave) and there have been challenges recruiting a replacement
- The appointment of a Manager People and Culture is imminent, and this may provide some additional oversight/management in this area

The Progress in Addressing Recommendations of the Internal Audit Program was noted.

Action: Director People and Governance to present a draft ICT Strategy to the Audit and Risk Committee in March 2023.

Moved: Mark Freudenstein
Seconded: Cr David Andrews

That the Audit and Risk Committee note the outstanding Internal Audit items update and progress made on implementation of past audit recommendations noting that there remain areas of concern around the number of outstanding items and the slow progress to completion.

Carried

7.3 Policies Update

Although there has been progress on the review and update of policies in the past quarter, the Committee questioned whether Management has prioritised the balance of outdated policies for completion.

An additional four policies are listed on the December Council Agenda for endorsement and approval.

The Council Policies/Associated Procedures Audit Update December 2022 was noted.

Moved: Cr David Andrews
Seconded: Alistair Thomson

That the Audit and Risk Committee note the progress being made on updating Council's policy framework.

Carried

7.4 Strategic Risk Register Management Update

The Strategic Risk Register Management Update was noted with updates to the register including:

- commentary on emergency preparedness and the successful planning and response to the October 2022 flood event
- impacts of the October 2022 flood event on infrastructure, with consequences for capital works funding and planning
- medium term impacts on the local economy – particularly the Nagambie area – following significant damage to tourism infrastructure during the flood event
- the adoption of the Annual Report, including end of year financial statements, following the completion of an intensive round of external audits.
- Adopted Tree Management Plan (which may need to be amended following flood impacts)
- Implications arising from a Building Condition Report that identifies large parts of the Civic Centre Building in Euroa as not being fit for purpose. Management have briefed Council and short and long term solutions are being sought, however these will have significant financial implications in the future.

Moved: Mark Freudenstein
Seconded: Cr Paul Murray

That the Audit and Risk Committee note the updated risk register and progress made in implementing risk management measures to address high residual risks.

Carried

7.5 Audit Committee Work Plan

The Work Plan has been updated and all actions/requirements have been completed. The Work Plan will, therefore, restart in 2023.

The Committee noted that it was a good reflection of the work achieved for the year.

Moved: Cr David Andrews
Seconded: Alistair Thomson

That the Audit and Risk Committee note the updated Audit Work Plan and the completion of all requirements under the *Local Government Act 2020*, with appreciation for the work undertaken by officers throughout the year be passed on to staff.

Carried

7.6 Protective Data Security Plan (PDSP)

The updated Plan shows progress is being made on the implementation of protective markings for information during its lifecycle, with a system to mark emails to be rolled out in December 2022. Education on information security obligations is currently being undertaken for all staff through our online learning portal.

The report was noted.

Moved: Alistair Thomson
Seconded: Cr Paul Murray

That the Audit and Risk Committee note the updated Protective Data Security Plan.

Carried

7.7 Human Resources Key Strategic Indicators

The Human Resources Reports – Quarter Four provided narrative on current issues including:

- a turnover rate of 3.95%, with eight new employees commencing
- significant drop in excess annual leave for indoor staff but continued increases in outdoor staff due to significant weather events and recruitment challenges
- reduction in excess time in lieu for outdoor staff but an increase for indoor staff, largely due to the flood recovery effort

- reduction in long service leave entitlements for the Outdoor crews
- increase in overtime worked by both indoor and outdoor staff due to the prolonged October flood event and ongoing community recovery activities.

The Committee noted the report drawing attention to:

- The high level of long service leave and the pressure it may put on existing resources
- The increase in risk as employees transition to retirement
- Ensuring that adequate succession planning is in place as staff transition to retirement and introducing initiatives to reduce the risk especially in the outdoor operations areas

Moved: Cr David Andrews
Seconded: Mark Freudenstein

That the Audit and Risk Committee note the Human Resources Key Strategic Indicators report.

Carried

7.8 CEO Purchase Card

Clause 11 of Council's Purchasing Card Policy requires a quarterly report on transactions for the CEO purchasing card to be provided to the Committee.

Currently the CEO does not hold a Council issued credit card and therefore there are no transactions to report.

Moved: Cr Paul Murray
Seconded: Mark Freudenstein

That the Audit and Risk Committee note the CEO Purchase Card report.

Carried

8. ITEMS RAISED BY COMMITTEE MEMBERS

It was noted that the Committee felt that Council continues to be under stress on the back of COVID-19 and the recent flood events. The Committee acknowledged that Management is managing well with the resources available and faced with greater community expectation around service provision.

9. CONFIDENTIAL BRIEFING WITH THE ACTING CEO

The Committee met with the Acting CEO and Director People and Governance for a confidential briefing.

10. NEXT MEETING

The next meeting of the Audit and Risk Committee will be held on Friday 3 March 2023.

Audit and Risk Committee – Follow up actions from meeting 2 December 2022						
Meeting Date	Item Number	Action	Responsible	Due Date	Status	Comment
2 December 2022	6.6 Audit and Risk Committee Charter	Director Community and Planning to provide an update to the next Audit and Risk Committee meeting regarding the Disaster Recovery Plan and emergency recovery noting the external authorisations that affect these processes.	Director Community and Planning	March 2023	No Started	
2 December 2022	7.2 Outstanding Internal Audit Items Update	Director People and Governance to present a draft ICT Strategy to the Audit and Risk Committee in March 2023.	Director People and Governance	March 2023	Not Started	