



Strathbogie Shire  
Council

Audit and Risk Committee  
Annual Committee  
Performance Report

January to December 2022

## 1. Purpose of this Report

It is with pleasure that I present Council with an Annual Committee Performance Report on the activities of Strathbogie Shire Council Audit and Risk Committee in accordance with section 54 of the *Local Government Act 2020 (the Act)* and clause 7 of the Audit and Risk Committee Charter (the Charter).

The Audit and Risk Committee is an Advisory Committee of Council established to provide guidance around strengthening Council's governance and risk management frameworks, monitoring the organisation's financial management and to help drive continuous improvement.

Our Committee is comprised of four independent community members with a strong and broad background in private enterprise, Boards and Councils. Two Councillor members strengthen our ranks, supported by a third 'reserve' Councillor representative. The Committee is supported by internal audits undertaken by AFS and Associates and also by the Victorian Auditor General's Office appointed auditors Crowe Australasia.

Together, we oversee the response of the elected Council and the Administration to independent external and internal audits, which focus on continuous improvement and the achievement of best practice processes.

I believe Strathbogie punches above its weight in terms of the expertise that sits around the Committee table and I thank all members, staff, internal and external auditors for their dedication to supporting the Committee's work and their collegiate work ethic.

Still, there are challenges in the form of the extensive responsibilities the Committee now has under the Act and our quarterly agendas have grown in length and complexity. In recognition of this, we have added two meetings per year; one to allow the Committee to undertake some strategic planning around its workplan and the other dedicated to review Council policies.

The Committee has expressed concerns throughout the year around the volume of work internal audits generate for the Administration and also the imbalance between increasing demands from State and Federal governments and the human resources Council has at its disposal to undertake this work. On top of this are the challenges of the continued COVID 19 pandemic recovery, shortage of labour and increased cost in materials and now coordinating the recovery phase of the October 2022 flood event.

I also wish to thank my fellow Committee members, who have volunteered to give up their personal time for the benefit of the entire Strathbogie shire community. I would like to thank Julie Salomon, her Executive and the Council staff that support the work of the Committee. The Committee also expressed its appreciation of the contribution made to the Committee over a number of years by David Roff, Director Corporate Operations, announced his retirement in July this year after nearly four decades in local government.

Once reviewed and passed by the Audit and Risk Committee, this report will be provided to Julie Salomon for presentation to Council after I brief Council in early 2023.

It has been an intensive 12 months of Committee work, however we have achieved much in this time and we know it makes a difference to the way services are delivered to our community, along with the ongoing viability of our small rural Council.



**Paul Ayton, Chair, Strathbogie Shire Audit and Risk Committee**

## 2. Background

Strathbogie Shire Council Audit Committee was established in 1997 and following the 2020 general Council election, the Audit and Risk Committee was reconstituted as an Advisory Committee to Council on 25 August 2020.

Under Section 54 (5) of the *Local Government Act 2020* an Audit and Risk Committee (ARC or Committee) must prepare an annual audit and risk report that describes the operation and activities of the Audit and Risk Committee and includes its findings and recommendations. The annual report must then be provided to the Chief Executive Officer for tabling at the next Council Meeting.

The ARC's Charter is set by Council and was approved by Council on 28 July 2020 following the necessary changes required by the new *Local Government Act 2020*. The Charter was last reviewed in September 2021.

Under Section 54 (2) of the *Local Government Act 2020*, the Audit and Risk Committee Charter must specify the functions and responsibilities of the Audit and Risk Committee including the following:

- Monitor the compliance of Council policies and procedures with:
  - The overarching governance principles
  - The *Local Government Act 2020* and the regulations and any Ministerial directions.
- Monitor Council financial and performance reporting
- Monitor and provide advice on risk management and fraud prevention systems and controls
- Oversee internal and external audit functions.

The Charter is reviewed annually. The Audit and Risk Committee Charter is scheduled for review at the Audit and Risk Committee Meeting to be held on 2 December 2022.

## 3. Period of this Report

This report covers Audit and Risk Committee activity from 1 January 2022 to 31 December 2022. In the period the Committee met eight times.

Meeting Date	Purpose of Meeting
11 March 2022	Special Meeting – to consider the Draft Strategic Risk Register
25 March 2022	Ordinary Meeting
4 April 2022	Special Meeting – to consider the 2022-23 Draft Budget and 2022-24 Financial Plan
1 July 2022	Ordinary Meeting
16 September 2022	Ordinary Meeting
19 September 2022	Extraordinary Meeting (given lack of quorum at 16 September 2022 meeting)
7 October 2022	Extraordinary Meeting to review policies
2 December 2022	Ordinary Meeting

Table 1: Meetings held in the calendar year

#### 4. Membership and Attendance

Membership of the Committee currently comprises four independent representatives, one of whom is chair, two permanent Councillor members and one Councillor acting as a reserve member should they be needed to achieve a quorum.

Membership for the period 1 January 2022 to 31 December 2022 is listed below, along with meeting attendance.

<b>Committee Member</b>	<b>11 March 2022</b>	<b>25 March 2022</b>	<b>7 April 2022</b>	<b>1 July 2022</b>	<b>16 Sept 2022</b>	<b>19 Sept 2022</b>	<b>7 Oct 2022</b>
<b>Paul Ayton</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Mark Freudenstein</b>	Yes	No	Yes	Yes	Yes	No	Yes
<b>Alister Purbrick</b>	Yes	Yes	Yes	No	Yes	No	Yes
<b>Alistair Thomson</b>	Yes	Yes	No	Yes	No	Yes	Yes
<b>Deputy Mayor Paul Murray</b>	Yes	No	No	Yes	No	Yes	Yes
<b>Cr David Andrews</b>	Yes	Yes	No	No	No	Yes	Yes
<b>Mayor Laura Binks</b> (appointed by Council as the reserve member in October 2022)	No	No	Yes (Observer)	Yes (Observer)	Yes (Observer)	Yes (Observer)	Yes

*Table 2: Attendance at meetings by the Committee members*

At its 19 September 2022 meeting, the Committee agreed to add two additional standard meetings to our calendar for 2023 - a strategic planning meeting and a policy review meeting.

This is in recognition of the size of the agendas that the Committee now have to work through under the new Work Plan and the need to have dedicated thinking and workshops on a more strategic view for the Committee.

#### 5. Key Activities for the Reporting Period

There are twenty key action groupings listed in the Committee's current Workplan listed under the following themes as per the Act.

The status of the Workplan as at the time of writing this review forms Attachment 1. I am pleased to report that we have addressed all of the actions outlined in the Plan in what has been an incredibly busy year.

More specifically, the key matters considered during the reporting period by the Committee are outlined in Table 3.

Topic	Meetings January 2022 – December 2022							
	11 Mar	25 Mar	7 Apr	1 July	16 Sep	19 Sep	7 Oct	2 Dec
<p><b>1</b> Following on from workshops undertaken with Marsh Consulting (2019 and 2020) who were engaged to assist Management prepare a Strategic Risk Register, a new template has been developed to report on progress in addressing key risks outlined in the Strategic Risk Register, which was finalised at an extra ordinary Committee meeting in July 2022.</p> <p>The Register is based on the residual risk rating and outlines what progress has been made in terms of implementing further measures to mitigate risk, along with any subsequent change in the overall residual risk rating.</p> <p>The Strategic Risk Register is a standing item on all Audit and Risk Committee Agendas and is reviewed quarterly.</p>								
<p><b>2</b> Mr Mark Freudenstein advised that he was standing down as Chair of the Audit and Risk Committee and that the election of a new Chair was required. Mr Paul Ayton was elected as Chair of the Audit and Risk Committee.</p>								
<p><b>3</b> An update of the 2022-23 Budget preparation was considered. At the time of the meeting the following work remained before the budget was complete:</p> <ul style="list-style-type: none"> <li>• Upgrade of 2022/23 projected result</li> <li>• Update of Financial Plan to reflect final figures</li> <li>• Update of Rating and Revenue Plan to reflect revaluation figures</li> <li>• Completion of fees and charges document</li> </ul> <p>It was decided that a special meeting be convened for 25 March 2022 to further review the final draft 2022-23 Budget and 2022-23 Financial Plan.</p>								
<p><b>4</b> A special meeting was convened to consider the draft 2022-23 Budget and Financial Plans noting that it would be subject to public consultation after the Council meeting held on 19 April 2022.</p> <p>The Service Performance Outcome Indicators in the 2022/23 Draft Budget were noted and it was agreed that the Committee required some comparative data of the same Indicators from other Small Rural Shires.</p> <p>It was agreed that a paper should be created which clearly states what services the Shire and other Authorities are responsible for delivering. These services include, but are not limited to, water supply, sewerage, electricity, NBN, gas, garbage collection and storage, aged care, libraries, child care, kindergarten, tourism and visitor centres and animal registration.</p>								



Topic		Meetings January 2022 – December 2022							
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5	<p>Council complied with the legislative requirements for the preparation and public notification of its Budget for the twelve (12) months ending 30 June 2023.</p> <p>Concurrent with the Budget is the Financial Plan which takes a ten-year view of Council's Financial position.</p> <p>The Draft Budget was considered at the Council meeting on 19 April 2022 and was placed on public exhibition for 28 days with submissions closing on Monday 23 May 2022.</p> <p>Twenty-three submissions were received - a number on the same subject, and these are identified below together with proposed action and Budget impact. This follows discussion by Council.</p>								
6	<p>Service Performance Outcome Indicators in the 2022/23 Draft Budget were discussed and it was agreed that the Committee required some comparative data of the same Indicators from other Small Rural Shires.</p> <p>This has been provided in two forms:</p> <ul style="list-style-type: none"> <li>• Community Satisfaction - it is difficult to obtain Community Satisfaction figures from other Councils as information is aggregated.</li> <li>• Know Your Council – the outcomes of the Local Government Performance Reporting Framework are provided on the Know Your Council website and this provides a means of comparison between Strathbogie and up to three other Councils</li> </ul>								
7	<p>At its meeting on Friday 16 September 2022, the Audit and Risk Committee considered a range of matters including the Financial Statements and Performance Statements required in accordance with the <i>Local Government Act 2020</i>.</p> <p>However, due to a lack of quorum, the Committee was unable to move and second recommendations to Council. This is because the Audit and Risk Committee Charter states that a quorum consists of a minimum of two (2) independent members and one (1) Councillor member.</p> <p>To enable Council to meet its statutory obligations and timelines in relation to the preparation of financial and performance reports, along with the Annual Report, an extraordinary Audit and Risk Committee meeting was held on Monday 19 September 2022 to enable recommendations to be made to Council prior to the consideration of items relating to the financial statements.</p>								

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<p>The Chair of the Audit and Risk Committee requested that officers take immediate action to minimise the risk of a failure to achieve a quorum into the future. As such, a recommendation seeking to appoint the Mayor, Cr Laura Binks to act as a substitute representative for any Councillor who as part of the Audit and Risk Committee is unable to attend, until the Annual Statutory Meeting is held in November 2022.</p> <p>The recommendation was carried at the Council meeting held on 20 September 2022.</p>								
<p><b>8</b> <i>The Local Government Act 2020</i> (the Act) states it is essential there is a legislative framework that provides for councils to be accountable to their local communities in the performance of functions and the exercise of powers and the use of resources.</p> <p>Accordingly, it is a statutory requirement under the Act that councils prepare and report on medium and short term financial plans to discharge their duties of accountability and transparency to their communities.</p> <p>The Annual Financial Statements for 2021/22 have been prepared and submitted to Crowe Australasia, the appointed auditors for the Victorian Auditor General's Office (VAGO), for review.</p> <p>Use has been made of the Local Government Model Financial Report 2021/22 released by Local Government Victoria to assist councils across the state in providing uniform financial reports that meet the requirements of the Act and accounting standards.</p> <p>Overall, the Financial Statements underline that Council's financial position remains sound.</p> <p>One of the key functions of the Audit and Risk Committee, in accordance with the <i>Local Government Act 2020</i>, is to review the Report, which consists of the Financial Statements and Notes.</p> <p>The Audit and Risk Committee endorsed the 2021-2022 Annual Financial Report.</p>								
<p><b>9</b> The Local Government Performance Reporting Framework (LGPRF) is a mandatory system of performance reporting that must be completed by all Victorian councils.</p> <p>The Framework uses a range of standardised indicators and metrics to ensure councils are measuring and reporting on their performance in a consistent way to</p>								

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<p>promote transparency and accountability in the local government sector.</p> <p>The results of the reporting system are made available to the public via the Know Your Council website, which allows for comparisons between councils. Comparisons are also provided for groupings of councils, such as Small Rural Councils, to which Strathbogie Shire Council belongs.</p> <p>The LGPRF system is used to produce two documents: a Performance Statement and a Governance and Management Checklist. Both documents have been prepared and submitted to Crowe Australasia, the external auditors appointed by the Victorian Auditor General's Office for review. This audit process has now been completed.</p> <p>The Draft Performance Statement shows consistent performance with previous years, with some metrics such as staff turnover and participation in the library service, being impacted by COVID 19 pandemic lockdowns, loss of staff through State government mandatory vaccination requirements and significant labour market shifts.</p> <p>The Draft Governance Management Checklists focuses on a range of policies, plans and other documents, with its aim to identify if a sound good governance framework is in place for council.</p> <p>Strathbogie has performed well against this Checklist, with a 'Yes' answer against all of the listed items of the good governance framework.</p> <p>Council's Audit and Risk Committee considered both documents at its meeting on 19 September 2022 and a resolution passed to forward the documents to Council for adoption.</p>								
<p><b>10</b> The Office of the Victorian Information Commissioner (OVIC) requires councils to submit a biannual protective data security plan to outline how the Victorian Protective Data Security Standards are being implemented by the local government sector.</p> <p>The Plan is comprised of a series of standards and elements which provide evidence that the standards are being implemented and applied.</p> <p>OVIC recognises that the standards are a significant impost on councils, particularly small rural councils. To this end, councils are asked to identify their current progress, and the actions planned for the next two years, to achieve the relevant standards. Standard 'maturity'</p>								



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	<p>ratings are to be used by councils as part of the council self-assessment process.</p> <p>Our PDSP was submitted to OVIC on 30 August 2022 . It identifies that there is still a fair way to go to implement some of the standards to a minimum 'basic' level however there has been progress since the previous PDSP was submitted to OVIC in 2020.</p> <p>Further measures, such as identifying the security value for all outgoing correspondence, will be adopted by the organisation in the near future. A range of actions will be implemented this financial year for reporting to the Audit and Risk Committee, however it is fair to say that our work towards attaining the security standards is steady.</p>							
<p><b>11</b> Audit and Risk Committee agendas are extensive and need to be streamlined. The current system of providing agendas and attachments via email is unwieldy and hinders access to previous agendas and minutes for Committee members and Officers alike. The current system of agenda and minute distribution does not maximise data security, while minimising cyber security threats.</p> <p>The recommendation was endorsed that the Audit and Risk Committee members be provided with access to an internal Strathbogie Shire portal, similar to that used by Councillors to access agendas and minutes. This can be done through a secure network and will provide for ease of access to documents for all Committee members.</p>								
<p><b>12</b> Officers have been working through the Council Policy audit to review and update Council Policies. A new policy template has been developed to ensure consistency in format and information.</p> <p>For the first time, the Governance team have developed a policy impact assessment tool to ensure requirements and considerations raised by key legislation such as the <i>Local Government Act 2020</i> (including the Act's principles, <i>Charter of Human Rights and Responsibility Act 2006</i>, climate change impacts (as required under the <i>Local Government Act 2020</i>) and gender equity impacts (as required under the <i>Gender Equity Act 2020</i>) are addressed while policies are being drafted.</p> <p>An extraordinary Audit and Risk Committee meeting was held in October to review the progress towards updating and reviewing the organisations policies. As required by legislation the following policies were reviewed by the Audit and Risk Committee:</p> <ul style="list-style-type: none"> <li>• Procurement Policy</li> <li>• Disposal or Sale of Council Assets</li> </ul>								

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<ul style="list-style-type: none"> <li>• Purchasing Card Policy</li> <li>• Rates and Charges Collection and Hardship Policy</li> <li>• Councillor Expenses Policy</li> <li>• Risk Management Policy</li> </ul> <p>In the period from June 2022 to December 2022, 11 Policies have been reviewed, rewritten or created and either approved by Council or are due for presentation to Council prior to the end of December.</p>								
<b>13</b> The follow items are listed for consideration by the Audit and Risk Committee at the December 2022 meeting: <ul style="list-style-type: none"> <li>• Annual Review of the Audit and Risk Committee Charter</li> <li>• Updating appointments to the Audit and Risk Committee</li> <li>• Considering the appointment/reappointment of our Internal Auditors</li> </ul>								

Table 3: Matters considered during the calendar year

## 6. External Audit

During the reporting period our external auditor Crowe Howarth (Australia) Pty Ltd reviewed and audited the 2021-22 Financial Statements and other documents for presentation to, and approval by the Council in September 2022. The Audit and Risk Committee had oversight of the following items in the progress towards the finalisation of the 2021-22 financial statements:

- The Draft Audit Strategy Memorandum for the financial year ending 30 June 2022 was presented for review by the Audit and Risk Committee at the meeting on 25 March 2022. The document provided information relating to:
  - Planned audit approach
  - Key risks and areas of audit focus
  - Audit timetable.
- VAGO Status Report – March 2022 which included items and information relating to:
  - VAGO 2021-22 Annual Plan
  - VAGO Financial Audit noting that audit planning activities for 2021-22 were well underway at many Councils across the state.
  - The 2021-22 audit fee letters were issued in March 2022
  - The Local Government model report for 2021-22 was released by Local Government Victoria on 25 February 2022
  - VAGO Performance Audit – proposed statewide audits and audits in progress (none relating to Strathbogie Shire Council)
  - Active governance matters noting appointment of a Municipal Monitor at Strathbogie Shire Council for a six month period commencing 14 September 2021.
- 2022-23 Budget Preparation Update (March 2022)
- 2022-23 Budget including Capital Works Delivery (April 2022)

- 2022-23 – 2031-32 Financial Plan – *The Local Government Act 2020* requires that Council must develop, adopt and keep in force a Financial Plan for a period of at least ten years
- Adoption of the 2021-22 Annual Financial Report
- Adoption of the 2021-2022 Performance Statement and Governance Management Checklist
- 2021-22 Draft Management Letter - noting two outstanding items relating to Policies and Procedures and Council's IT Strategy, both with moderate risk ratings
- Closing Report to the Audit Committee.

## **7. Internal Audit**

Our internal auditors are AFS and Associates Pty Ltd. The following internal audits were finalised during the period 1 January to 30 December 2022:

- Procurement and Accounts Payable (April 2022)
- Business Continuity Plan and Disaster Recovery Planning (May 2022)
- Planning (August 2022).

The following audits are scheduled or currently being undertaken and will be reported in 2023:

- Waste Management
- Rates and Revenue Review.

All recommendations from the final audit reports are entered into an action plan (Outstanding Items Internal Audit Program) which is a standing agenda item on the Audit and Risk Committee Agenda and is reviewed quarterly.

The current contract for the appointment of internal auditors expires in June 2023, and discussion regarding reappointment of the existing auditor or tendering for new internal auditors will take place at the December 2022 Audit and Risk Committee meeting.

## **9. Risk Management**

The Committee noted that many improvements to the Risk Management Framework were underway with significant progress made, particularly related to the assessment of the effectiveness of controls that Council relies on to mitigate risk through the finalisation of a Strategic Risk Register in July.

The Committee shared its collective experience with management regarding the extension of the improvements proposed but it is noted that there is still much work to be done regarding the development of a comprehensive risk management framework across the organisation. The Committee welcomed the opportunity to engage further as the work progresses.

The Strategic Risk Register update is a standing agenda item on the Audit and Risk Committee Agenda and is reviewed quarterly.

## **10. Assessment of the Committee's Performance**

It is pleasing that the Committee has achieved the goals set by our Work Plan for the calendar year. This work has been completed with the support of Council staff, AFS and Associates Pty Ltd as Council's internal auditors and Crowe Australasia Pty Ltd as the external auditors appointed on behalf of VAGO.

The addition of a strategic planning and dedicated policy review meetings for the 2023 calendar will assist the Committee and Administration in continuing the delivery of the Work Plan in the year ahead.

**Paul Ayton**  
**Chair, Audit and Risk Committee**

**ATTACHMENT 1**

<b>Audit Committee Work Plan – Summary Of Actions/Updates In Quarter To December 2022</b>		
<b>Action</b>	<b>Comment</b>	<b>Status</b>
<b>Monitor the compliance of Council policies and procedures with the overarching governance principles and the <i>Local Government Act 2020</i> and the regulations and any ministerial directions (section 54(2a))</b>		
<p>Monitor Council processes for compliance of Council policies and procedures.</p> <p>Assess the Council's policy framework and procedures to ensure the embedding of the governance principles.</p>	<p>Governance Officer appointed May 2022. Comprehensive audit of policies and directions undertaken in May 2022.</p> <p>Approximately forty six (46) policies under review to be updated/rewritten at time of meeting with policies with longest dates outstanding being prioritised.</p> <p>The majority of policies have been worked flowed to Managers with anticipated date for completion December 2022. Remainder will be due for completion in early 2023-mid 2023.</p> <p>As required by legislation the following policies were reviewed at an extraordinary Audit and Risk Meeting in October 2022:</p> <ul style="list-style-type: none"> <li>• Procurement Policy</li> <li>• Purchasing Card Policy</li> <li>• Rates and Charges Collection and Hardship Policy</li> <li>• Risk Management Policy</li> <li>• Council Expenses Policy</li> <li>• Disposal or Sale of Council Assets.</li> </ul> <p>Policies are a standing agenda item on the Audit and Risk Committee Agenda and are reviewed quarterly.</p>	<b>Complete</b>
<b>Monitor compliance with relevant laws and regulations</b>		
<p>Monitor Council's processes regarding compliance with legislation and regulations</p>	<p>Standing internal and external audits and report to Audit and Risk Committee provide quarterly oversight of compliance.</p> <p>Governance Officer appointed to ensure policies, directives and financial delegations are up to date.</p> <p>Legislative updates are a standing agenda item on the ELT/Management Group monthly meetings.</p>	<b>Complete</b>

## ATTACHMENT 1

	Executive Management Team to develop a legislation and strategy annual calendar.	
<b>Monitor the compliance of Council policies and procedures with the overarching governance principles and the <i>Local Government Act 2020</i> and the regulations and any ministerial directions (section 54(2a))</b>		
Review the CEO Employment and Remuneration Policy Employment Matters Policy annually as per section 45 of the Act.	Policy listed on the December 2022 Council Agenda.	<b>Complete</b>
<b>Oversee internal audit function (section 54(2d))</b>		
Review the Internal Audit Committee Charter regularly to determine that it provides an appropriate functional and organisational framework to enable Council's internal audit function to operate effectively and without limitations.	Audit and Risk Committee Charter is Scheduled for review at Audit and Risk Committee Meeting December 2022 – Agenda Item 6.6	<b>Complete</b>
<p>Recommend to Council the appropriate method for the provision of the internal audit function including the evaluation criteria and the appointment of the contractor</p> <p>Monitor the performance and ongoing effectiveness of the contractor, which can include making a recommendation to Council to terminate the contractor should performance not meet the standards set out in the contract.</p> <p>Review the reporting on completed internal audits, seeking clarification through critical analysis to assure the Committee that management is responding adequately to the findings and key risks are mitigated</p> <p>Monitor the progress of the strategic annual internal audit plan and work program and consider the implications of internal audit findings for the control and operating environment.</p>	<p>Internal audit contract in place until 30 June 2023.</p> <p>Council resolution from November 2022 meeting to receive a report on the tender process for Internal Auditors at the February 2023 Council meeting.</p> <p>This item is also listed for discussion at December 2022 Audit and Risk Committee meeting –Agenda item 6.3</p> <p>Reviewed at quarterly Audit and Risk Committee meetings.</p> <p>The following are listed as standing agenda items at Audit and Risk Committee meetings:</p> <ul style="list-style-type: none"> <li>• Internal Audit Program Reports</li> <li>• Outstanding Internal Audit Items</li> <li>• Audit Committee Work Plan</li> </ul>	<b>Complete</b>



## ATTACHMENT 1

Monitor the implementation of internal audit's findings and recommendations.	Internal Auditors conduct periodic testing of whether audit actions reported as completed have been effectively implemented.	
<b>Monitor compliance with relevant laws and regulations</b>		
Assess the Council's procurement framework with a focus on the probity and transparency of policies and procedures/processes	Procurement Policy and other policies above work flowed to Chief Financial Officer for review 8 August 2022. The policies are scheduled to go to an extraordinary Audit and Risk Meeting in October 2022 for review and oversight.	<b>Complete</b>
Monitor the implementation of financial management policies, including they are aligned with the achievement of the Act's financial management principles.	External Auditors on-site week beginning 22 August 2022. Financial statements, performance statement and governance management checklist, and final management letter agenda item 6, Audit and Risk Committee meeting 16 September 2022.	
Monitor work by the council to mitigate and plan for climate change risk.	Council has declared Climate Emergency. Climate Change Action Plan adopted by Council on 16 August 2022. Internal Audit of Environmental Sustainability and Climate Change scheduled March 2023 Additional officer resource funded in Budget and Climate Change Officer appointed August 2022	<b>Complete</b>
Review issues relating to national competition policy and Local Government Performance Reporting Framework (LGPRF)	LGPRF complete. Results issued November 2022 and are available on Know Your Council website	<b>Complete</b>
<b>Monitor Council financial and performance reporting (section 54(2b))</b>		
Review management's processes for ensuring and monitoring compliance with legislation and other requirements on the external reporting by the Council of financial and non-financial information, performance reporting under the Act, and other relevant legislation.	External audit completed by Crowe Australasia on Financial Statements, Performance Statement and Governance & Management Checklist in August/September 2022. Governance role funded in 2021/22 Budget to improve processes and reporting and Governance Officer appointed May 2022	<b>Complete</b>
Assess any changes to Council's accounting policies and procedures and the methods of applying them, with the input of management, external and internal auditors, ensuring that they are in accordance with the stated financial reporting framework	Reviewed at external and internal audits. Finance Manager in discussion groups such as Fin Pro – for Local Government finance professionals and is due to attend the FinPro annual conference along with the Senior Finance Officer. Accounting/Financial Policies were considered at the extraordinary Audit and Risk Meeting on 2 October 2022.	<b>Complete</b>

## ATTACHMENT 1

<b>Monitor Council financial and performance reporting (section 54(2b))</b>		
Review the appropriateness of accounting policies and disclosures to present a true and fair view	External Auditors on-site week beginning 22 August 2022. Financial statements, performance statement and governance management checklist, and final management letter agenda item 6, Audit and Risk Committee meeting 16 September.	<b>Complete</b>
Review the financial reporting provided to Council and monitor the financial performance and sustainability of Council	Review format at start of each Council term then report quarterly. Format has been reviewed to include further detail and information on Key Performance Indicators.	<b>Complete</b>
Assess reports from internal and external auditors that make recommendations about the quality of financial reports such as actual and potential material audit adjustments, financial report disclosures, non-compliance with legislation and regulations, internal control issues	External Auditors on-site week beginning 22 August 2022. Financial statements, performance statement and governance management checklist, and final management letter agenda item 6, Audit and Risk Committee meeting 16 September 2022.	<b>Complete</b>
Recommend to the Council whether the financial report including the performance statement section of the Annual Report should be approved based on the Committee's assessment of them.	Following completion of external audit and presentation to Audit and Risk Committee meeting 16 September 2022. Annual Report adopted at the October 2022 Council Meeting	<b>Complete</b>
<b>Monitor and provide advice on risk management and fraud prevention systems and controls (section 54(2c))</b>		
Monitor the implementation of the Risk Management Strategy and progress in managing risk identified on the Risk Register priorities. The progress against these documents will be reported to the Committee at each meeting.	Report on Strategic Risks scheduled as a standing item at quarterly Audit and Risk Committee meetings. SRR updated and listed on this agenda Item 7.4.	<b>Complete</b>
Review and recommend enhancements to Council's policy for the oversight and management of business risks.	Risk Management Policy presented to an extraordinary Audit and Risk Meeting in October 2022 for review and oversight. Endorsed by Council at meeting 18 October 2022	<b>Complete</b>
Receive regular risk reports, which: <ul style="list-style-type: none"> <li>• provide an overview of management of each strategic risk by strategic risk owners</li> <li>• identify key risks, the status and the effectiveness of the risk management systems to ensure that identified risks are monitored and new risks are identified, mitigated and reported.</li> </ul>	Report on Strategic Risks scheduled as a standing item at quarterly Audit and Risk Committee meetings. Next update due 2 December 2022.  Risk register and framework to be scheduled as a quarterly standing item on ELT/Management Group meetings for officer to review existing strategy and risks, and assess emerging risks	<b>Complete</b>

## ATTACHMENT 1

<b>Monitor and provide advice on risk management and fraud prevention systems and controls (section 54(2c))</b>		
Review whether the Council has a current and active business continuity plan and disaster recovery plan which is tested periodically as determined by the plan.	<p>Business Continuity Plan and Disaster Recovery Plan in place.</p> <p>A scheduled internal audit review took place in August 2022.</p> <p>Results of audit item reported to Audit and Risk Committee meeting 16 September 2022.</p> <p>Recommendations from the Audit have been added to the outstanding items internal Audit Program to be tracked to completion. This document is a standing agenda item and is reviewed quarterly.</p>	<b>Complete</b>
<b>Oversee external audit function (section 54(2d))</b>		
<p>Seek information from the external auditor to outline the external audit plan including proposed audit strategies and how they might relate to identified risk areas, discuss audit results and consider the implications of the external audit findings for the control environment.</p> <p>Ask the external auditor if there have been any significant resolved or unresolved disagreements with management.</p> <p>Ask the external auditor if there have been any significant resolved or unresolved disagreements with management.</p> <p>Sight all representation letters signed by management and consider the completeness and appropriateness of the information provided</p>	<p>The following reports were endorsed by the Audit and Risk Committee on 19 September 2022 and adopted by Council at the meeting on 20 September 2022.</p> <ul style="list-style-type: none"> <li>• 2021-22 Annual Financial Reports</li> <li>• 2021-22 Performance Statement and Governance Management Checklist</li> <li>• Final Management Letter</li> <li>• External Auditors Closing Report to Audit Committee</li> </ul> <p>External auditors have completed the audit and finalised their comments/feedback.</p>	<b>Complete</b>
<b>Monitor internal controls</b>		
Review the effectiveness of the Council's internal control system with management and the internal and external auditors.	Ongoing program of internal and external audits monitors effectiveness of internal controls	<b>Complete</b>