

Strathbogie Shire Council

**Audit and Risk Committee
Meeting Minutes**

2 June 2023

Minutes of the meeting of the Strathbogie Shire Council Audit and Risk Committee held on Friday 2 June 2023, commencing at 9.30 a.m.

Present

Paul Ayton (Chair)	Community Representative
Mark Freudenstein	Community Representative
Alister Purbrick	Community Representative
Alistair Thomson	Community Representative
Mayor Laura Binks	Council Representative
Deputy Mayor Paul Murray	Council Representative (substitute)

Officers

Julie Salomon	Chief Executive Officer
Dawn Bray	Director People and Governance
Amanda Tingay	Director Community and Planning
Heike Manet	Manager People and Culture
Upul Sathurusinghe	Chief Financial Officer
Michelle Bromley	Coordinator Governance and Record Management
Kerry Lynch	Governance Officer (Minutes)

Auditors

Brad Eade	Internal Auditors – AFS & Associates
Danielle McKenzie	External Auditors – Crowe Audit

Others

Peter Stephenson	Municipal Monitor
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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

Cr Chris Raeburn	Council Representative
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4. Disclosure of Interests

- Kerry Lynch (Governance Officer) declared a material conflict of interest relating to Item 6.3 Enterprise Agreement Update given she is representing herself on the Enterprise Agreement Committee.
- Michelle Bromley (Coordinator Governance and Records) declared a material conflict of interest relating to Item 6.3 Enterprise Agreement Update given she is representing herself on the Enterprise Agreement Committee.
- Brad Eade (AFS Internal Auditor) declared an interest relating to Item 6.1 Internal Auditors Service Update as a potential tenderer.

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

- 3 March 2023 [Doc 842305](#)
- 21 April 2023 [Doc 851993](#)

The committee reiterated that the minutes of each meeting need to be circulated in a timely manner.

MOTION

That the Minutes of the Meetings of the Audit and Risk Committee held on 3 March 2023 be confirmed.

and

the Minutes of the Meetings of the Audit and Risk Committee held on 21 April 2023 be confirmed subject to amendments relating to figures quoted on page 4 of the minutes around the draft capital works program.

Moved: Alister Purbrick

Seconded: Paul Ayton

Carried

6. BUSINESS

6.1 Internal Auditors Service Update

The tender process is behind schedule, and it is expected that a tender document will be released by the end of June 2023. This is not an ideal situation given that the current contract with AFS and Associates expires on 30 June 2023. The contract is unable to be extended as all of the options have been enacted. It is expected that the decision to award the tender by Council could occur at its August 2023 meeting.

While this means that Council does not have an appointed independent auditor for just under two months, this is not considered to be a significant risk for this relatively short period of time.

A large number of internal audits are underway or are complete awaiting finalisation. This hiatus will provide an opportunity for Officers to focus on the prioritisation and allocation of resources to implement the vast number of internal audit recommendations now in front of the Administration.

The Committee expressed their disappointment that the tender had not progressed, and Officers should be more proactive to ensure these deadlines are met in future. Although an Audit and Risk Committee representative has already been appointed to assist with the auditor appointment process, members reiterated they would make themselves available to help in any way to expedite the tender process.

Actions:

- **Director Bray to ensure tender document is advertised online so an Internal Auditor will be in place by August 2023**

- **Set up an online meeting with the Committee evaluating the tenders, the nominee from the Committee being Alistair Thomson, with the short term Governance Advisor appointed by the CEO following Director Bray’s resignation, to expedite the new internal audit tender process.**

MOTION

That the Audit and Risk Committee note the update and the interval during July – August 2023 whereby Council will not have an appointed Independent Auditor.

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

Carried

6.2 2023-2024 Budget and Fees and Charges Update

The draft [2023-2024 Budget](#) and [Fees and Charges](#) were released for public review and comment for a 28-day period between 3 – 31 May 2023. An Extra Ordinary Council meeting is due to be held on 6 June 2023 to hear the public verbal presentations to Council regarding their written budget submissions.

Council invited its Community Panel to a face-to-face and online Draft Budget Information Sessions on 23 and 24 May 2023. The meetings were attended by 15 panel members from Euroa, Nagambie, Ruffy, Violet Town, and Strathbogie and provided information on the Draft Budget, Pitch My Project and Council’s financial position.

More information was sought around grant funding. The Committee supported the conservative approach taken by Officers to grant funding forecasts in future years, ensuring the budgets should be sustainable.

It was noted that the final budget would include the changes and comments requested by the Audit and Risk Committee at their meeting held on 21 April 2023. A minor adjustment being made to alignment on page eight (8) of the draft Budget documents was also noted.

Director Bray acknowledged that comparative data against other small councils would be included on the “Know Your Council” (or it’s replacement) website, when it becomes available.

Action:

- 1 The comparative data against other small councils would be included on the “Know Your Council” (or it’s replacement) website, in the budget document when it becomes available.**

MOTION

That the:

- 1. Audit and Risk Committee note the community consultation process for the Draft 2023-2024 Budget and Fees and Charges has been successfully undertaken and acknowledge the high level of community participation in the Pitch My Project initiative.**

2. Changes and comments made in the minutes of the Audit and Risk meeting of 21 April 2023, will be included in the final budget document.

Moved: Alister Purbrick
Seconded: Mark Freudenstein

Carried

6.3 Enterprise Agreement No 10 - Bargaining Update

Michelle Bromley and Kerry Lynch left the meeting at 10.04 following their declaration of a material conflict of interest in this item.

To date, two meetings have been held to progress the Enterprise Agreement No 10 Bargaining negotiations. The first meeting was an introductory meeting and at the meeting held on 18 May 2023 logs of claim were presented by Management, Australian Service Union (ASU) and Staff Representatives.

The Management and ASU Log of Claims were provided with the meeting agenda for information.

In summary, the ASU is requesting a pay increase of 6% per annum or \$75 per week whichever is the greater, and an agreement to remain in force for a maximum of three years. The Management log of claims offers a 3% pay rise.

The Committee noted that the Management log of claims appeared to be fair and reasonable and that the log of claims from the Australian Services Union were beyond what Council's financial position could sustain.

There was discussion about reviewing indexation provisions for years 2 – 4 of the Agreement as a potential compromise.

MOTION

That the Audit and Risk Committee note the Enterprise Agreement No 10 – Bargaining Agreement update.

Moved: Mark Freudenstein
Seconded: Alister Purbrick

Carried

Michelle Bromley and Kerry Lynch returned to the meeting after the vote had concluded at 10.16am.

6.4 Audit and Risk Committee Bi-Annual Report January – June 2023

The Committee is required under its Charter to prepare a biannual audit and risk report that describes the activities of the Audit and Risk Committee and includes the Committee's findings and recommendations in accordance with section 54(5a) of the *Local Government Act 2020*, along with the agreed actions.

The report was noted subject to additional comments being added that reflect the outcomes of the meeting held on 2 June 2023.

Actions:

1. Director Bray to update the [Audit and Risk Committee Bi-Annual Report January – June 2023](#) with additional comments reflecting the outcomes of the meeting held on 2 June 2023.
2. Director Bray insert an additional paragraph into the report around the Committee being more proactive around the timing of the recruitment of independent members and appointment of internal auditors.

MOTION**That the:**

1. Audit and Risk Committee note and endorse the Audit and Risk Committee Bi-Annual Report January – June 2023 subject to the additional paragraph around being proactive in relation to independent member recruitment and the tendering of the internal audit function.
2. Chair, Paul Ayton, provide a copy of the endorsed Bi-Annual Report January – June 2023 to the Chief Executive Officer for listing on the June Ordinary Council meeting agenda.

Moved Alistair Thomson
Seconded Mark Freudenstein

Carried

6.5 Project CODI (Collaborative Digital Transformation Project) Update

Following Victoria State Government funding being received, Strathbogie Shire Council is collaborating with Benalla, Mansfield, and Murrindindi Councils in a digital transformation project (Project CODI) to develop modern ICT systems. The objective of the project is to integrate and align our existing systems to be more efficient and functional.

The project is well underway, and the Project Steering Group, Project Control Group, Project Management Group, and content expert leads have been meeting regularly to meet stringent time frames around the tender and procurement process. Tenders for the project closed in May 2023 and short-listed vendor demonstrations are underway.

While on the whole the collaboration is working well, there have been several challenges, including the resignation of the Project Manager. Staff from Mansfield Shire have been redeployed to cover this role; however, it is disappointing that the former Project Manager's knowledge and expertise has been lost at a critical time.

A joint briefing of the four councils relating to the outcomes and recommendations arising from the tender process is to be held on 6 June 2023, Councils will then consider Officer reports to award contracts by 30 June 2023. The tender is for purchase and implementation with individual Councils and Vendors responsible for implementation. A five-year contract is offered to the successful vendor to ensure continuity of service.

There is concern that one of the project participants may leave the project. The CEO reiterated that there are risk contingencies in place should this occur, and Project CODI would still progress with lesser participants.

Director Bray notes that the development of an ICT Strategy and other system/policy/framework developments are overdue and are contingent on the outcome of Project CODI. It was also acknowledged that the project is an impost on existing staff duties and will need to be sustained for around 18 months.

MOTION

That the Audit and Risk Committee note the progress of Project CODI (Collaborative Digital Transformation Project).

Moved: Cr Paul Murray
Seconded: Alistair Thomson

Carried

6.6 Appointment of Municipal Monitor

On 15 May 2023, the Local Government Minister, the Hon Melissa Horne MP, appointed Municipal Monitor, Mr Peter Stephenson to Strathbogie Shire Council.

Mr Stephenson's appointment will build on the work completed by Council's first Monitor, Janet Dore, who finished her six-month appointment in September 2022. Her report can be found on our [website](#).

The Minister is responding to serious concerns about governance and conduct raised with her by some Councillors, Council staff and members of Council's Audit and Risk Committee.

Mr Stephenson has been appointed to assess the Council's ability to function properly. The Terms of Reference (TOR) regarding his appointment are listed below in full:

Without limiting the Municipal Monitors' functions and powers under sections 180 and 181, respectively, of the Act, the Municipal Monitor is:

1. To monitor the Strathbogie Shire Council's (Council) governance functioning, with specific regard to key areas of concern identified in correspondence from the Mayor and other members of the Council dated February and March 2023, including the following matters:
 - (a) The actions taken in response to, and the Council's ability to give effect to, the advice from the former municipal monitor appointed to the Council in 2022
 - (b) Councillor understanding and performance of their statutory roles and responsibilities
 - (c) The relationships between councillors and between councillors and Council staff, including councillor behaviour with respect to the Councillor Code of Conduct and processes for resolving disputes between councillors
 - (d) Council's meeting procedures and decision-making processes, including Council briefings and meetings
 - (e) the Council's processes and practices in relation to health and safety including any matters that may be creating a serious risk to the health and safety of Councillors, Council staff or other persons; and

- (f) any other matters that may be affecting the Council's ability to effectively perform its statutory role, including behaviour that may be preventing the Council from performing its functions.
2. To identify the underlying causes of any issues affecting the ability of the Council and / or individual councillors to properly perform their statutory roles, with specific regard to the matters raised in clause 1.
 3. To report to the Minister for Local Government, with respect to the matters in clause 1 and 2, on:
 - (a) any steps or actions taken by the Council to improve its governance and the effectiveness of those steps or actions
 - (b) any recommendations for the Council to ensure the proper performance of its statutory role, including in relation to the conduct of councillors and responding to the advice of the former municipal monitor appointed to the Council; and
 - (c) any recommendations for the Minister, including in relation to the exercise of any Ministerial power under the Act.

The Audit and Risk Committee noted the appointment of the Municipal Monitor and the terms of reference and acknowledged their full support to Mr Stephenson to come to an appropriate conclusion ensuring Council Officers and Councillors are working as a cohesive group.

MOTION

That the:

1. **Audit and Risk Committee note the appointment of the Municipal Monitor, Peter Stephenson on 15 May 2023, for a term of three (3) months.**
2. **Municipal Monitor note that the Committee will support the Monitor's work with the Council in any way it can upon his request.**

Moved: Mark Freudenstein
Seconded Alister Purbrick

Carried

6.7 Business Continuity Plan Sub Plan Template Feedback

The Business Continuity Plan (BCP) is under review and is being rewritten. The existing BCP had previously applied a one size fits all approach and is no longer viable or fit for purpose for Council operations. It also failed to recognise risk, testing and training, financial obligations or provide a business impact analysis.

As part of the process a new sub plan template is being developed. The sub plan template provides the following functions:

- The sub plan is a stand-alone document
- The template can be extracted from the 'parent' BCP document and reviewed and updated at any time
- Individual sub plans can be referenced independently of the BCP plan as required.

The draft sub plan template was noted and endorsed by the Audit and Risk Committee. The sub plan template will be work flowed to Managers/content experts to populate and progress the rewrite of the Business Continuity Plan.

MOTION

That the Audit and Risk Committee note the draft Business Continuity Sub Plan and endorse the sub plan template.

Moved: Mark Freudenstein

Seconded: Alistair Thomson

Carried

6.8 Set Dates for 2023-2024 Audit and Risk Committee Meetings

The following dates were considered and will be added to the Audit and Risk Committee meeting schedule for the 2023-2024 period.

A date for a July or August 2023 meeting is pending dependent on the availability of the Audit and Risk Committee membership.

July or August	Deferred Annual Strategic Planning Day
15 September 2023	Ordinary meeting
6 October 2023	Extraordinary meeting – policy review
1 December 2023	Ordinary meeting
1 March 2024	Ordinary meeting
5 April 2024	Extraordinary meeting – 2024-25 draft budget and performance statements review
1 June 2024	Ordinary meeting

Action:

- 1. Director Bray to confirm the availability of members and advise the date of an Audit and Risk Committee meeting to be held in July or August 2023.**

MOTION

That the Audit and Risk Committee endorse the recommended dates for the 2023-2024 Audit and Risk Meeting schedule.

Moved: Alistair Thomson

Seconded: Mayor Laura Binks

Carried

Cr Paul Murray left the meeting at 11.30am.

6.9 Local Roads and Community Infrastructure Program (LRCIP) Annual Report Phase 1, 2 and 3 Audit – Victorian Auditor General’s Office

Council received an audit report undertaken by VAGO relating to the financial statements for the Local Roads and Community Infrastructure Annual Report for Phase 1, 2 and 3.

These statements were prepared in accordance with the LRCIP funding guidelines.

In summary the Auditor stated:

In my opinion, in all material respects:

- the Chief Executive Officer’s financial statements for Phase 1, 2 and 3 of the Local Roads and Community Infrastructure Program are based on and in agreement with proper accounts and records
- Total project cost, total approved LRCI funding contribution, LRCI funding actual expenditure (financial year period), actual construction start date, construction completion date, and projects status in the Local Roads and Community Infrastructure Program completed Annual Report Tables for Phases 1, 2 and 3 are based on and in agreement with proper accounts and records
- the amount reported as expended during the year was used solely for expenditure on approved Local Roads and Community Infrastructure Projects; and
- the amount certified by the Chief Executive Officer in the Chief Executive Officer’s Financial statements as the funding recipient’s own source expenditure on the Local Roads and Community Infrastructure Program during the year are based on, and in agreement with, proper accounts and records.

The Audit and Risk Committee noted the positive outcome of the Local Roads and Community Infrastructure Program (LRCIP) Annual Report Phase 1, 2 and 3 Audit conducted by VAGO.

MOTION

That the Audit and Risk Committee notes the outcome of the Local Roads and Community Infrastructure Program Annual Report Phase 1, 2 and 3 audit by the Victorian Auditor General’s Office.

Moved: Mayor Laura Binks

Seconded: Mark Freudenstein

Carried

7. STANDING REPORTS

7.1 Audit Updates

7.1.1 Internal Audit Program Status Update

In the period since the last report the Internal Auditors AFS have completed or commenced a number of audits in line with the Strategic Internal Audit Program.

Audits completed and due for reporting:

- Rates and Revenue Review
- Past Audits Review March 2023
- Waste Management
- Environmental Sustainability and Climate Change.

Audits underway:

- Capital Project Delivery Framework
- Risk Management Framework (on hold until further notice due to the absence of key stakeholders)
- Scoping - Environmental Health (Food safety, registered premises, and temporary food events).

The progress status report was noted.

7.1.2 Industry Updates (for information)

AFS provided recent Industry reports and publications of interest since the last reporting period. The Industry Updates were noted. The Internal Auditor made the following observations relating to the recent industry updates and outcomes of broader internal audits:

- that particular attention should be paid to any emerging trends in staff culture and work claims and that these are investigated and reported to the Audit and Risk Committee; and
- that the expectation around process is that only contemporary practice is considered “best practice”

Director Bray noted that Management is working through the results of the Staff Satisfaction Survey and the People Matter Survey for Local Government 2023 is currently underway.

7.1.3 Rates and Revenue Audit (Final) Update

The final report for the Rates and Revenue Audit was noted.

The audit was requested by Director Bray following errors in rates notices, miscalculation of rate income and identification of lack of process and the sharing of skills and knowledge within the Revenue team.

The audit recognised some risks were appropriately managed, however there is work to be done on implementing robust policies and procedures, cross checking and the sharing of skills and knowledge so that more than one officer is across all aspects of the rating system.

It is noted that project CODI seeks a new rates and finance system, which will replace what is quite an archaic and highly manual rating system that heightens risk of errors and miscalculations.

The recommendations from the audit have been updated into the Internal Audit Program Action Plan and management has engaged an expert to work with the Chief Financial Officer and staff to address the key issues from the audit recommendations.

Director Bray acknowledged that additional training and development for the Corporate Risk Officer is scheduled to ensure improved understanding and robustness around Council operational risks.

7.1.4 Past Issues Review March 2023 (Final)

The final report for 2023-01 Past Issues Review March 2023 was noted.

AFS comments have been updated into the Outstanding Internal Audit Items Action Plan. The commentary was reviewed by the Audit and Risk Committee and the outstanding action items can now be closed out.

As per correspondence to Chair Ayton on 22 May 2023 (Ref [857804](#)), the internal auditors acknowledge that they have not been advised of any recommendations deemed complete by management since their last past issue review in March 2023.

7.1.5 External Audit Update – Interim Management Letter from Crowe Australasia

Crowe Australasia have issued an interim management letter for the year ending 30 June 2023.

Although there are no open issues to report for the current period, matters relating to the ICT Strategy, updating of current policies and Valuer General reconciliations are outstanding from previous years. There is progress on all of these outstanding issues, as noted by the External Auditor:

- there are no new matters to be raised resulting from recent onsite testing
- the Valuer General is satisfied the recommendations from the final Rates and Revenue internal audit recently completed reflect the recommendations and findings of the Valuer General's previous open issues
- Director Bray acknowledged that a review of the Fraud and Corruption Policy was overdue.

The development of an ICT Strategy is overdue, and clarity was sought as to whether it will be developed singularly or as part of Project CODI. Clarity was also sought as to whether a moderate risk rating was sufficient. The External Audit reported that the risk has been elevated from low to moderate, noting the absence of a definitive ICT Strategy.

Director Bray also acknowledged that although there are sound procedures around the management of ICT processes and systems, these are not sufficiently documented.

MOTION

That the Audit and Risk Committee note the:

1. **Internal Audit Program Status Update**
2. **Industry Updates**
3. **Final recommendations in the Rates and Revenue Audit Report**
4. **Final report 2023-01 Past Issues Review March 2023**
5. **Interim Management Letter from Crowe Australia**

Moved: Mark Freudenstein
Seconded: Mayor Laura Binks

Carried

7.2 Outstanding Internal Audit Items Update

Management continues to address the outstanding internal audit recommendations from previous audits. The return of the Corporate Risk Officer from maternity leave and the appointment of the Manager People and Culture should progress those actions dependent on broader risk assessments and the development of ongoing risk management strategies in some areas.

A concerted effort has been made to work with the Assets and Operations Teams to identify and understand some of the long-term outstanding actions and get clarity around the progress to completion, and a complete rewrite of the Business Continuity Plan is underway.

The Committee acknowledged the current, but slow progress of the completion of outstanding audit actions and acknowledged that some actions were dependant on the outcome of Project CODI. The Committee recommended:

- that the management team show greater awareness that the outstanding actions need to be addressed; and
- that the actions are prioritised ensuring faster progress to completion

Director Bray advised Disaster Recovery Planning testing is scheduled in July 2023.

MOTION

That the Audit and Risk Committee note the outstanding Internal Audit items update and progress made on implementation of past audit recommendations.

Moved: Mayor Laura Binks
Seconded: Alistair Thomson

Carried

Brad Eade left the meeting at 12.05pm.

7.3 Policy Review Update

Officers continue to review Council's Policies, CEO Directives, Charters, Frameworks and Procedures. Following the outcome of various internal audits, Officers are identifying significant strategic documents that are also out of date or Council does not have. Officers are working with Managers to review and draft new documents that are relevant and meet current legislative and statutory requirements, and that mitigate Council's exposure to extreme risk.

In this time period, particular attention is also being paid to privacy and data collection practices across the organisation.

It was discussed that unless there is a requirement, policies need only to be reviewed once in every council term. It was clarified that given that many of the existing policies were long overdue for review, have been rewritten or are new, more frequent review of the policies was preferred in the short term. Many of the policies now align to strategic documents that are requirements of the *Local Government Act 2020* and will most likely revert to a four-year review cycle.

Actions:

- **Identify the frequency of the timeframes for policy reviews; and**
- **Prioritise the finalisation of the Governance Rules taking into consideration that both the Municipal Monitor and the Governance Consultant can provide valuable input into the process.**

MOTION

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

Moved: Alistair Thomson

Seconded: Alister Purbrick

Carried

7.4 Strategic Risk Register Management Update

The Strategic Risk Register has been included as a standing item on the ELT/Management Group meeting agenda. Executives and Managers meet monthly ensuring this document is reviewed regularly. The Director People and Governance will continue to report on new or emerging risks that come out of the ELT/Management Group meeting.

Director Bray made the following observations relating to updates/changes to the current strategic risk register:

- Page 7 – Finances – updated that the draft budget preparation is underway, the public consultation process is complete, and the budget is on track to be endorsed by June 2023
- Page 8 – Council's long term financial plan was reviewed at part of the 2022-2024 budget process
- Page 9 – noted that the Finance and Communication teams have moved to the new premise in Binney Street. \$250,000 has been allocated in the draft budget to review long term staff accommodation options
- Page 11 – reports on the outcomes of the Staff Satisfaction Survey conducted in December 2022 and the appointment of the Municipal Monitor in May 2023

Director Tingay provided a verbal update on the emerging issues at the Nagambie Library and will provide an update to the next meeting once the implications of the risks are fully identified. It was noted that these types of emerging risks should trigger a broader conversation around the maintenance of existing Council facilities.

Although final figures relating to flood recovery are still not available, it was agreed that the risk rating for this item should be downgraded from catastrophic to extreme.

The Committee discussed Council's risk and exposure relating to insurance and it was agreed insurance is an emerging, major risk area for Council.

Officers are currently undertaking a comprehensive review of Council insurances, and negotiations are underway to review all insurances. Director Tingay also reported that discussions are underway with community groups to assist them to transition their insurance obligations to their independent committees.

Action:

Director Tingay to provide an update on the Nagambie Library to the Audit and Risk Meeting to be held on 15 September 2023

MOTION

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

- 1. As per item 6.2 insurance premium allocation will be further reviewed in draft budget**
- 2. Adjust risk ratings in the strategic risk register as discussed in the meeting.**

Moved: Mark Freudenstein

Seconded: Alister Purbrick

Carried

7.5 Audit and Risk Committee Work Plan Update

The 2023 Audit and Risk Committee Work Plan has been updated to show progression towards completion of actions by the end of the year. To date:

- A number of internal audits have been completed or are underway at the time of reporting
- The External Auditors have commenced their end of year financial review and were onsite in late April
- Executive and Managers continue to review policies and other strategic documents
- The Business Continuity Plan is under review and is being rewritten.

Action:

- **On page two of the Work Plan adjust the date to reflect the overdue date for the appointment of an internal auditor will be August 2023.**

MOTION

That the Audit and Risk Committee note the updated Audit and Risk Committee Work Plan under the *Local Government Act 2020*.

Moved: Mark Freudenstein

Seconded: Mayor Laura Binks

Carried

7.6 Protective Data Security Plan (PDSP) Update

A series of workshops with key stakeholders are scheduled to commence in July 2023 to review the plan and to note the progression to completion of the PDSP to meet the attestation deadline on 31 August 2023.

May was Privacy Awareness month and the Coordinator Governance and Records worked with the whole organisation to remind staff of their obligations around privacy and management of information.

At the time of reporting there are no significant or substantive changes to the Protective Data Security Plan.

MOTION

That the Audit and Risk Committee note the updated Protective Data Security Plan and activities undertaken to raise awareness around information privacy during the Privacy Awareness month in May.

Moved: Alistair Thomson
Seconded: Mark Freudenstein

Carried

7.7 Human Resources – Key Strategic Indicators

This report notes the turnover rate has fallen to just under 6% in the past quarter. Challenges still exist around recruiting staff; however, some success has been had in the appointment of a Strategic/Statutory Planner in May. Flood recovery positions funded by the State have been particularly challenging to fill and different approaches are being taken in an effort to fill these positions in different ways through the use of collaborative arrangements with Mitchell Shire.

Council's decision to exit from the school crossing supervision service are noted as a key change. A significant amount of work and support has been given to existing school crossing staff, along with the provision of a redundancy payment in recognition of their contribution to the shire.

Annual leave balances for both indoor and outdoor staff has declined significantly in the past year due to a concerted effort to ensure all staff with excess leave have a plan in place to reduce their balances. RDOs have increased in the outdoor crew given staff shortages and ongoing flood recovery works and more challenging weather events.

The Committee acknowledged the work being done to reduce annual leave entitlements, although the long service leave entitlement still remains high.

The Committee would like to see adjustments to recruitment advertising to reflect the very positive aspects and culture of working at Strathbogie Shire Council, as supported by most results of the Staff Satisfaction Survey.

Actions:

Update the Human Resources Report to provide more details around:

- **Workcover issues and to monitor any trends emerging from the claims, including recording staff numbers who are on mental health leave; and**
- **Staff/organisation culture changes**

RECOMMENDATION

That the Audit and Risk Committee note the Human Resources Key Strategic Indicators report and also noting the suggested changes to future Human Resource Reports to reflect Workcover and Culture changes/trends.

Moved: Mark Freudenstein

Seconded: Alistair Thomson

Carried

7.8 CEO Purchasing 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, therefore there are no transactions to report.

The report was noted.

MOTION

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

Moved: Mark Freudenstein

Seconded: Mayor Laura Binks

Carried

8. ITEMS RAISED BY COMMITTEE MEMBERS

Nil to report.

9. CONFIDENTIAL BRIEFING OF INDEPENDENT COMMITTEE MEMBERS WITH CEO AND DIRECTOR PEOPLE AND GOVERNANCE

The Committee met confidentially with the CEO and the Director People and Governance.

10. CONFIDENTIAL BRIEFING OF INDEPENDENT COMMITTEE MEMBERS WITH CEO AND MUNICIPAL MONITOR

The Committee met confidentially with the Municipal Monitor, Mr Peter Stephenson.

11. NEXT MEETING

A date for the next meeting of the Audit and Risk Committee will be scheduled for July or August 2023 pending the availability of the membership.

The meeting proper closed at 12.30 pm.

12. FORWARD AGENDA ITEMS

Meeting Date	Item	Responsibility
15 September 2023	Audit and Risk Committee appointments	Director People and Governance
15 September 2023	Update issues Nagambie Library	Director Planning and Community
15 September 2023	Update Internal Audit Tender Update	Director People and Governance
15 September 2023	Councillor Expenses	Director People and Governance
6 October 2023	Policy and Financial Documents Review	Director People and Governance
1 December 2023	Annual Audit and Risk Committee Performance Report	Director People and Governance
1 December 2023	Audit and Risk Committee Charter Update	Director People and Governance
1 December 2023	Councillor Expenses	Director People and Governance
1 December 2023	Mid-Year Budget Review	Director People and Governance

Audit and Risk Committee – Follow up actions from meeting 2 June 2023						
Meeting Date	Item Number	Action	Responsible	Due Date	Status	Comment
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	Underway	The ICT Strategy is being reviewed by the Project Manager of our Regional Council Transformation Project (Project CODI) (the four-council partnership focusing on joint procurement of systems and adopting the same work practices). Workshops are complete and a tender process is underway to appoint a vendor for a new system. The expected delivery date is now September 2023.
2 June 2023	6.1 Internal Auditors Service Update	Director Bray to ensure tender document is online so Internal Auditor can be in place by August 2023	Director People and Governance	Date pending appointment	Not started	
2 June 2023	6.1 Internal Auditors Service Update	Set up an online meeting with Governance Consultant to expedite the new internal audit appointment	Director People and Governance	Immediate	Not started	
2 June 2023	6.4 Audit and Risk Committee Biannual Report	Director Bray to update the Audit and Risk Committee Bi-Annual Report January-June 2023 with additional comments reflecting the outcomes of the meeting held on 2 June 2023	Director People and Governance	Immediate	Not started	

2 June 2023	6.8 Set dates for 2023-24 Audit and Risk Committee Meetings	Director Bray to confirm the availability of members and advise the committee of the date of an Audit and Risk Committee meeting to be held in July or August 2023.	Director People and Governance	Immediate	Not started	
2 June 2023	7.3 Policy Review Update	Identify the frequency of the timeframe for policy reviews	Governance Officer	Immediate	Not started	
2 June 2023	7.3 Policy Review Update	Prioritise the finalisation of the Governance Rules taking into consideration that both the Municipal Monitor and the Governance Consultant can provide valuable input into the process	Director People and Governance	Immediate	Not started	
2 June 2023	7.4 Strategic Risk Management Update	Director Tingay to provide an update on the Nagambie Library for the Audit and Risk Committee Meeting to be held on 15 September 2023	Director Planning and Community	15 September 2023	Not started	
2 June 2023	7.5 Audit and Risk Committee Work Plan	On page two of the Work Plan adjust the date to reflect the overdue date for the appointment of an internal Auditor to August 2023	Director People and Governance	Immediate	Not started	
2 June 2023	7.7 Human Resources Report	Update the Human Resources Report to provide more details around: <ul style="list-style-type: none"> • Workcover issues and to monitor any trends emerging from the claims including recording staff numbers who are on mental health leave • Staff/organisation culture changes 	Manager People and Culture	15 September 2023	Not started	