

Strathbogie Shire Council

Audit and Risk Committee Meeting Minutes

Wednesday 12 July 2023
Strategic Workshop

Minutes of the Strategic Workshop meeting of the Strathbogie Shire Council Audit and Risk Committee held on Wednesday 12 July 2023, commencing at 11 a.m.

Present

Paul Ayton (Chair) via Teams	Community Representative
Mark Freudenstein	Community Representative
Alister Purbrick	Community Representative
Alistair Thomson	Community Representative
Mayor Laura Binks	Council Representative
Cr Chris Raeburn	Council Representative

Officers

Julie Salomon	Chief Executive Officer
Phillip Carruthers	Specialist Governance Advisor
Amanda Tingay	Acting Director People and Governance
Michelle Bromley	Coordinator Governance and Record Management
Kerry Lynch	Governance Officer (Minutes)

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

Nil

4. Disclosure of Interests

Nil

5. Business

The CEO officially introduced Mr Phil Carruthers, Specialist Governance Advisor to the Audit and Risk Committee who facilitated the Strategic workshop and planning session. Mr Carruthers is providing governance support to the Council until a permanent appointment can be made for the Director of People and Governance position.

5.1 Internal Auditor Appointment Update

In relation to the Internal Auditor appointment, Mr Carruthers advised that:

- A tender was issued for the appointment of Internal Audit Services on 14 June 2023
- The tender closes on 22 July 2023
- Applicants will be considered at an informal meeting on 8 August 2023 with the view of presenting a recommendation to Council on 15 August
- An extraordinary meeting may be required to ensure that an internal auditor is in place by the end of August 2023.

5.2 Training Requirements/Opportunities for Audit and Risk Committee

The Audit and Risk Committee discussed that there may be more opportunities for them to gain greater knowledge and understanding about the following topics in the future:

- Trends and emerging challenges facing other Councils
- What are the issues/areas of concern/emerging risk coming from the State Government
- VAGO areas of interest/concern/emerging risks
- Insurance outlook for the next two years

5.3 Managing/Prioritising Risk Profile, Profile And Key Risks

The Audit and Risk Committee has a strong interest in the risk profile of Council and the ability of officers to manage current and emerging risks. The discussion about risk management covered various areas including:

- Improvements to the strategic risk framework and clarifying what the organisations appetite for risk is
- Clarifying what our inherent risks are, where we currently sit, and where we want to go in relation to risk management
- The current strategic risk register appears to overstate the current level of risk in the organisation
- There is no evaluation of current actions or controls in place and these need to be added to the risk register
- There appears to be no analysis of what we currently do before considering a risk extreme
- More oversight of low and moderate risks and if these risks are not actioned, how they might escalate with the potential to increase to higher risk levels
- What is the internal culture about staff mitigating risk and how it is embedded in organisation

Mr Carruthers noted the observations and feedback made by the Committee and acknowledged that there are definite opportunities for improvement in assessing and reporting Council's strategic risks.

Mr Carruthers will review the current reporting format of the strategic risk register and will redraft a document that will increase the robustness of the reporting data whilst also simplifying the data for presentation. A draft report will be available for review by the Audit and Risk Committee at the meeting to be held on 8 September 2023.

Officers advised the Committee that they feel there are a number of emerging risks affecting Council operations:

- Infrastructure, especially relating to, and the financial implications of:
 - Kirwans Bridge – structural integrity
 - Chinamans Bridge – ownership
 - Euroa Civic Centre – spaces not fit for purpose
- Definitive resolution of governance and the outcome of the Municipal Monitors evaluation.

The Committee continues to express its concern at the lack of progress relating to Business Continuity Planning. Although Councils approach to risk management is maturing, the lack of a dedicated Corporate Risk Officer in the business for the past 18 months has created challenges and stalled outcomes that may have been achieved across various business units within the organisation if this role was filled. A recruitment process is currently underway to employ a Risk Officer.

The Business Continuity Plan is currently being re-developed and business sub plans are with content experts and managers for review and population. It is anticipated that a draft Business Continuity Plan will be presented to the Audit and Risk Committee at the meeting to be held in October 2023.

5.4 Requirements of the Audit and Risk Charter and Workplan

The Audit and Risk Charter was discussed, and the following feedback was provided to increase the robustness of the charter:

- Section 3, 3.2 Term of Membership should be revised to ensure that membership and term are clearly defined, it was recommended that Item 3.2 Term of Membership read as follows:

The initial appointment of independent Committee members shall be for a three-year period.

Councillor members will be appointed for a one-year term of office with their term expiring at the annual meeting of Council when Councillor representatives are nominated for various committees and bodies. They may be reappointed.

Independent Members of the committee will be reviewed at least every three years by the Council with the aim of ensuring an appropriate balance between continuity of membership, the contribution of fresh perspectives and a suitable mix of qualifications, knowledge, skills, and experience.

The position for an independent member(s) will be publicly advertised at the end of each term. This does not preclude existing members from being re-appointed through a competitive process.

Council may reappoint current independent members if exceptional circumstances are considered to exist.

Where possible, the end of the terms of Independent Members will be staggered to avoid losing continuity in the Committee's membership.

- Section 7 – Administrative Arrangements should include a reference to the voting mechanism of the Committee. Although it is given that a majority vote is expected, this is not currently reflected in the Charter.

The Committee noted the draft Audit and Committee Workplan which will be further refined and presented to the committee meeting to be held in September. Additional feedback will see the draft workplan include:

- Expiration of member terms
- Local Government Performance Reporting timeframes
- Personal interest declaration timeframes

5.5 Member Feedback

The Committee had a general discussion about opportunities for the Shire and Council's role in the same. Officers will look at the existing marketing framework outlining the opportunities around residential and commercial incentives to set up and invest in the Strathbogie Shire.

The Audit and Risk Committee acknowledged the work to include the Audit and Risk Committee and Governance functions of Council on Council's website.

In reference to discussions about benchmarking against other like Councils, Officers reported that this information was available on the "KnowYourCouncil" website. Although this site is superseded, comparative information will be available via a yet to be named website when the current round of Local Government Performance Framework reporting is complete.

6. Next Meeting

The next meeting of the Audit and Risk Committee is an ordinary meeting to be held on 8 September 2023.

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