

Strathbogie Shire Council Audit and Risk Committee

Annual Committee Performance Report
January 2025 to December 2025



Strathbogie
SHIRE COUNCIL

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* and Clause (7) of the Audit and Risk Committee Charter.

This year, the Audit and Risk Committee comprised four independent members with extensive experience in business, governance, and local government. The Committee also includes two Council Representatives, Mayor Councillor Claire Ewart-Kennedy and Cr Clark Holloway and is supported by our internal auditors RSD Audit and 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.

We have a good level of expertise that sits around the Committee table and I thank all members, staff, and internal and external auditors for their dedication supporting the Committee's work and their collegiate work ethic.

I acknowledge the contribution made by Alister Purbrick AM, whose tenure on the Audit and Risk Committee ends in December. Alister has been a committed and thoughtful member of this Committee for a number of years and his impact and insight on discussion cannot be underestimated. We thank Alister for his commitment to the Committee and his contribution to governance, risk matters and industry experience.

Following a robust recruitment process to appoint an independent community member, we welcome Leon Sargeant to the Audit and Risk Committee.

Following from a year of administration and an interim Chief Executive Officer, the Committee welcomed the appointment of Chief Executive Officer Rachelle Quattrocchi. Rachelle brings a wealth of experience to the role and has built a strong working relationship with the Audit and Risk Committee.

The challenges of the extensive responsibilities the Committee now has under the Act have grown in length and complexity, and the Committee adds value to the Council's governance and control processes through the diverse experience and knowledge of its members. Our commitment to excellent governance oversight is unwavering, and the Committee continues to provide high level support and direction to Councillors and the Chief Executive Officer on a regular basis.

The Committee continues to have concerns around the imbalance between increasing demands from State and Federal governments and the human and financial resources. It is essential that Council prioritises the expectations of our communities with the availability of resources, so a proper balance is achieved, and that our expectations for community improvement are both viable and sustainable.

Once reviewed and passed by the Audit and Risk Committee, this report will be provided to the Chief Executive Officer for presentation to Council, and subsequently the community in early 2026.

We have achieved a significant amount over the past twelve months and strive to encourage further maturity and capability around Council operations and functionality. This will ensure improved service delivery to our community as well as ongoing viability and sustainability across the broader Shire.

Paul Ayton, Chair Audit and Risk Committee.

2. BACKGROUND

Strathbogie Shire Council Audit and Risk 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 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 Committee's Charter is set by Council following the necessary changes required by the new *Local Government Act 2020*. The Charter is reviewed annually and will be reviewed at the November 2024 Audit and Risk Committee meeting.

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.

3. Period of this Report

This report covers Audit and Risk Committee activity from 1 January 2025 to 30 May 2025. In the period the Committee met six times.

Table 1: Meetings January 2025 to December 2025

Meeting Date	Purpose of Meeting
28 February 2025	Ordinary Meeting
17 April 2025	Meeting to consider the Draft 2025-26 Budget, Draft 2025-26 Fees and Draft Charges and Financial Plan 2025-35
6 June 2025	Ordinary Meeting
4 July 2025	Strategic Planning Workshop
5 September 2025	Ordinary Meeting
21 November 2025	Ordinary Meeting

3. Membership and Attendance

Membership of the Audit and Risk Committee comprises four independent community representatives, one of whom is chair, and two Councillor representatives.

Membership for the period 1 January 2025 to 31 December 2025 is listed below, along with meeting attendance.

Table 2: Attendance at meetings by the Committee members

Committee Member	28 February 2024	17 April 2024	6 June 2024	4 July 2025	5 September 2025	21 November 2025
Paul Ayton	Yes	Yes	Yes	No	Yes	TBC
Alister Purbrick AM	Yes	Yes	Yes	Yes	Yes	TBC
Sophie Lukeis	No	Yes	Yes	Yes	Yes	TBC
John Tanner AM	Yes	Yes	Yes	Yes	Yes	TBC
Mayor Councillor Claire-Ewart Kennedy	Yes	Yes	Yes	Yes	Yes	TBC
Councillor Clark Holloway	Yes	Yes	Yes	Yes	Yes	TBC

4. Term of Independent Community Members

Independent Community Member	Term Commence	Term End	Recruitment Process Commences
Alister Purbrick AM	1 December 2022	1 December 2025	August 2025
Sophie Lukeis	4 December 2023	4 December 2026	October 2026
Paul Ayton	1 June 2024	1 June 2027	February 2027
John Tanner AM	6 September 2024	5 September 2027	March 2027
Leon Sargeant	2 December 2025	1 December 2028	August 2028

5. Chief Executive Officer Recruitment

At the Council meeting held on 21 January 2025, the public was advised that Council was commencing the recruitment process for a permanent Chief Executive Officer, following a period of stewardship of an interim Chief Executive Officer.

Advertising commenced in January 2025 with the support of an external recruitment agency and under the stewardship of the CEO Employment and Remuneration Advisory Committee.

At an Extraordinary Council meeting held on 25 March 2025 Council confirmed the appointment of the permanent Chief Executive Officer Rachelle Quattrocchi, following a rigorous recruitment process.

6. Municipal Monitor

Pursuant to section 179(2) of the *Local Government Act 2020*, The Minister for Local Government provided notice of the appointment of Ms Marg Allan as Municipal Monitor to Council. The period of the appointment was from 6 November 2024 to 6 November 2025 (dates inclusive).

In accordance with the Terms of Reference set down for the Municipal Monitor, Ms Allan attended the Audit and Risk Committee meeting held on 5 September 2025.

7. Integrated Strategic Documents

Following each Local Government election, Council must adopt a suite of integrated strategic documents. The Audit and Risk Committee reviewed, provided feedback and endorsed the following documents adopted by Council on 17 June 2025:

- 2025-26 Budget
- 2025-2035 Financial Plan
- Revenue and Rating Plan and 2025-2026 Fees and Charges
- Declaration of Rates and Charges for the 12 months ending 30 June 2026

8. Key Activities for the Reporting Period

There are twenty key action groupings listed in the Committee’s current Workplan as per the Act.

The status of the Workplan forms attachment one. The commentary and status of actions shows the progression towards completion for the year.

More specifically, other key matters considered and/or discussed during the reporting period by the Committee are outlined below.

28 February 2025	
Item	Discussion
2024-25 Mid-year Budget Review	<p>A mid-year budget review for the 2024-25 financial year was undertaken as a means of tracking where the delivery of the operating budget and capital works program is at, and also to better inform the development of the 2025-26 budget and revision of Council’s 2025-26 to 2034-35 Long Term Financial Plan. The Audit and Risk Committee noted the following:</p> <ul style="list-style-type: none"> • Budget “creep” should be factored in when budget forecasts and estimates are being considered • There has been higher than expected non-recoverable costs associated with flood recovery – noting that escalating costs are a challenge facing most Councils and require more robust financial forecasting • Understanding how Council’s “Operating” Business Model works, and the management of cash flow
2025-26 Draft Budget and Introduction of Strategic Documents	<p>The Audit and Risk Committee reviewed the following key strategic documents:</p> <ul style="list-style-type: none"> • Community Vision 2035 • Council Plan 2025-29 (including Municipal Health and Wellbeing Plan)

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	<ul style="list-style-type: none"> • 2025-26 Budget Document – Operating and Capital budget and fees and charges • Revenue and Rating Plan • Financial Plan 2025-35 • Asset Plan 2025-35
Business Continuity Management Policy	In accordance with a recommendation from the Internal Auditors and as follow up from the business continuity training and testing conducted by Jardine Lloyd Thompson (JLT) in June 2024, a draft Business Continuity Management Policy was developed. The policy will support and underpin the new Business Continuity Plan (BCP), which is being developed. The Business Continuity Policy was endorsed by Council in March 2025.
Chief Executive Officer Recruitment	At the Council meeting held on 21 January 2025, the public was advised that Council was about to commence the recruitment process for a permanent Chief Executive Officer. Advertising commenced in January 2025 with the support of an external recruitment agency. The Chief Executive Officer, Rachelle Quattrocchi commenced on 6 May 2025.
Rate Capping	<p>The Minister for Local Government, the Hon Nick Staikos MP, announced that the average rate cap for the 2025-26 financial year will be set at 3.00 per cent. This will apply to all Victorian councils.</p> <p>The Minister set the average rate cap under section 185D(1) of the <i>Local Government Act 1989</i> (the Act) and the general order establishing the rate cap for 2024-25 was published in the Government Gazette on 23 December 2024.</p>
2025-26 Meeting Dates	The Audit and Risk Committee endorsed the meeting schedule listed above.
Policies	<p>Part of the most recent reforms to the <i>Local Government Act 2020</i> and the Local Government (Governance and Integrity) Regulations 2020, require councils to develop and implement changes relating to specified policies and procedures, specifically:</p> <ul style="list-style-type: none"> • Model Confidentiality Policy • Model Councillor Social Media Policy • Internal Resolution Procedure <p>Council adopted these policies in March 2025.</p>
Standing Agenda Items	<p>The Audit and Risk considered the following standing agenda items at each of their quarterly meetings:</p> <ul style="list-style-type: none"> • Internal and External Audits • Outstanding Internal Audit Actions • Policy Review • Risk Management • Audit and Risk Committee 2024-25 Work Plan • Councillor Expenses and Reimbursements • CEO Purchasing Card and Reimbursements • Fraud and Corruption Management • Investments and Borrowings • Human Resources Update
17 April 2025	
Item	Discussion

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<p>Draft 2025-26 Strathbogie Shire Council Budget, Fees and Charges and Revenue and Rating Plan</p>	<p>In accordance with the requirements of sections 93 and 94 of the <i>Local Government Act 2020</i> the Audit and Risk Committee received the:</p> <ul style="list-style-type: none"> • Draft Annual Budget 2025-26 • Draft Fees And Charges 2025-26 • Draft Revenue And Rating Plan 2025-26 • Draft Financial Plan 2023-35 <p>The draft budget and fees and charges have been developed in accordance with the <i>Local Government Act 2020</i> financial management principles in accordance with section 96(1)(a).</p>
<p>Interim Chief Executive Officer Handover</p>	<p>The Audit and Risk Committee received a briefing and handover from the Interim Chief Executive Officer prior to the incoming Chief Executive Officer commencing on 5 May 2025</p>
<p>6 June 2025</p>	
<p>Chief Executive Officer Recruitment</p>	<p>The Audit and Risk Committee considered a confidential report relating to the Chief Executive Officer recruitment.</p>
<p>Audit and Risk Committee Biannual Report June 2025</p>	<p>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 <i>Local Government Act 2020</i>, along with the agreed actions.</p>
<p>Recruitment of Independent Community Member to Audit and Risk Committee</p>	<p>One of the four independent member positions on the committee becomes vacant in December 2025.</p> <p>In accordance with the Audit and Risk Committee Charter, expressions of interest were invited from suitably qualified and experienced persons to fill this position by December 2025.</p> <p>The Audit and Risk Committee also confirmed the evaluation panel for the recruitment process.</p>
<p>Position Paper on Asset Valuation</p>	<p>The purpose of the report examined the implications for Strathbogie Shire Council on the methodology used to value its asset base to ensure compliance with the amendments made to AASB 13 for the reporting period ending 30 June 2025 and including guidance from VAGO that was recently released on 29 April 2025.</p> <p>The report prepared for the Audit and Risk Committee meeting on 6 June 2025 examined all existing asset classes, the approach taken, and examined the changes and next steps that the Council will need to implement in the coming months, and in the future to achieve full compliance.</p>
<p>VAGO Results of the 2023-24 Audits:Local Government</p>	<p>The recommendations from the report relating to councils have been noted by Council's External Auditors and included in the Interim Management Letter for year ending 30 June 2025 and was also presented to the Audit and Risk Committee on 6 June 2025.</p>

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Letter to the Minister for Local Government – Governance Expectations Key Strategic Documents Update	On 26 November 2024 Council received correspondence from the previous Minister for Local Government, The Hon Melissa Horne MP requesting Council outline its commitment to the Minister’s governance expectations. The response was submitted on 31 March 2025 to the Minister for Local Government, the Hon Nick Staikos , and the letter was endorsed by Council on 20 May 2025.
2024 Local Government Election - Election Report Strathbogie Shire Council	In April 2024 Council received the Election Report Strathbogie Shire Council: 2024 Local Government Elections, April 2024. This report provides information on the 2024 Strathbogie Shire Council general election including details of the end-to-end service delivery of electoral activities throughout the election timeline. This report also provides details of post-election activities including compulsory voting enforcement.
Policies	The Audit and Risk Committee noted the endorsement by Council of mandated policies in accordance with reforms to the <i>Local Government Act 2020</i> and the Local Government (Governance and Integrity) Regulations 2020: <ul style="list-style-type: none"> • Confidentiality Policy • Social Media Policy • Resolution Procedure
4 July 2025	
2025-2026 Workplan	As an action from the Audit and Risk Committee meeting held on 6 June 2025, Officers were requested to prepare a draft 2025-2026 Work Program. Pending minor changes, the Work Plan was adopted by the Audit and Risk Committee at the meeting to be held on 5 September 2025
Risk Management	As an action from the Audit and Risk Committee meeting on 6 June 2025 it was recommended that the Audit and Risk Committee review Council’s current risk appetite and overarching strategic risks. The Audit and Risk Committee noted the increased maturity and progression in Council's management of risk. It was discussed that although risk is the responsibility of all staff, there are still opportunities for improvement.
September 2025	
Briefing from the Chief Executive Officer	Chief Executive Officer Quattrocchi provided a verbal update to the Committee. The following topics were covered: <ul style="list-style-type: none"> • Parliamentary Inquiry into Fraud and Corruption Control in Local Government • Plant and Equipment and Asset Registers • Climate Change Action Plan • Internal Controls and Business Continuity Testing • Asset Planning and Capital Works • Corporate Systems and Project CODI • Improved meeting schedule to accommodate increased workplan obligations.
Draft 2024-25 Annual Financial Statement Report	The 2024-25 Draft Annual Financial Statement was endorsed by the Audit and Risk Committee for presentation to Council for adoption.

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Draft 2024-25 Performance Statement and Governance Management Checklist	The Audit and Risk Committee endorsed the Draft Performance Statement 2024-25 and Draft Governance and Management Checklist 2024-25 for presentation to Council for adoption.
Draft Final Management Letter	The Audit and Risk Committee noted the draft Final Management Letter.
Draft Closing Report to Audit and Risk Committee	The Audit and Risk Committee noted the draft Closing Report.
Fair Value Assessment at 30 June 2025	<p>AASB 13 Fair Value Measurement establishes the framework for measuring fair value, defined as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</p> <p>Having been audited and reviewed by external auditors Crowe (Australasia), the AASB 13 Fair Value Assessment Measurement Position Paper was considered by the Audit and Risk Committee.</p>
CEO Employment and Remuneration Policy	The Audit and Risk Committee noted the updated Chief Executive Officer Employment and Remuneration Policy.
Climate Change Action Plan Update	<p>At the end of the 2024-25 financial year, 50% of the Plan's fifty-four actions have been marked green as ongoing or completed, with Council on track to deliver the plan substantially by 2027.</p> <p>The Audit and Risk Committee note the Climate Change Action Plan 2022-2027 Update.</p>
Parliamentary Inquiry into Fraud and Corruption Control in Local Government	<p>On Monday 28 July 2025 Council was invited to give evidence to the Public Accounts and Estimate Committee's inquiry into Fraud and Corruption Controls in Local Government.</p> <p>Deputy Mayor Councillor Scott Jeffery and Chief Executive Officer Rachelle Quattrocchi gave evidence to the Committee and a written submission was provided to the Committee.</p>
Facility Management Report	Hodges Facility Management (Consultant) was engaged to provide guidance and advice on compliance and operational considerations related to Council's property portfolio (buildings only) of community used facilities and civic operations.
Risk Management	<p>The report identified:</p> <ul style="list-style-type: none"> • There have been no new strategic risks • Strategic risk controls have been updated following recommendations from the Audit and Risk Committee meeting held on 4 July 2025.
Business Continuity Plan	<ul style="list-style-type: none"> • The Business Continuity Management Policy was adopted by Council in April 2025 • A significant review of the Business Continuity Plan (and review of sub-plans) was completed and endorsed by the Executive Leadership Team in July 2025.

	<ul style="list-style-type: none"> • An active Business Continuity Management Team has been reinstated and meets quarterly, the most recent meeting being 27 August 2025. • A business continuity test was undertaken by JLT Public Sector on 3 September 2025, and a verbal update on the outcome of the test was provided to the Audit and Risk Committee at the meeting on 5 September 2025.
<p>Staff Engagement and Alignment Survey</p>	<p>The Survey was positively received by the Audit and Risk Committee for the complexity of the content in the report. It was acknowledged that some work had been done internally as to how management can progress the outcomes of the engagement and alignment survey to improve and/or make a more positive culture at Strathbogie Shire Council, however this needed to be supported with actions and outcomes.</p>
<p>November 2025</p>	
<p>The following items are listed on the agenda for discussion by the Audit and Risk Committee on 21 November 2025:</p> <ul style="list-style-type: none"> • Chief Executive Officer Report • Audit and Risk Committee Annual Performance Report 2025 • Audit and Risk Committee Charter Review • Recruitment of Independent Community Member to Audit and Risk Committee • ICT Strategy • Quarterly Financial Report • Financial Sustainability Report • VAGO Performance Report - Financial Management of Local Councils • Procurement Policy • Internal Audit Updates - RSD Audit • External Audit Updates - Crowe Australasia • External Audit Updates - Crowe Australasia • Standing Agenda Items 	

9. External Audit

During the reporting period our External Auditor Crowe (Australasia) Pty Ltd commenced audits relating to the 2024-25 Financial Statements and Performance Statements for presentation to, and approval by the Council in September 2025.

The External Auditors were onsite during May 2025, and the Audit and Risk Committee received an interim Management Letter at the meeting to be held on 6 June 2025.

The Audit and Risk Committee received and endorsed the draft 2024-25 Financial and Performance Statements in September 2025, and these were adopted by Council on 21 October 2025.

The External Auditor attends each of the ordinary Audit and Risk Committee meetings.

8. Internal Audit

In the period 1 January to 31 December 2025 the Internal Auditors RSD Audit have completed the following internal audits in line with the 2024-26 Strategic Internal Audit Program.

- Payroll Procedures
- Cyber Security

- Occupational Health and Safety
- Fleet Management (Final Report Pending)

Due to the timing of the implementation of new system upgrades as part of the collaborative Digital Transformation Project (Project CODI), the following internal audits were postponed and will be undertaken prior to June 2026:

- Finance General Controls
- Civic Asset Management
- ICT General Security Controls

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 by the Audit and Risk Committee.

The Internal Auditor attends each of the ordinary Audit and Risk Committee meetings and is invited to a confidential session with the Committee Members prior to each meeting as required.

9. Risk Management

Management reported on the progress of Council’s risk management strategies including:

- Updates to the Risk Management Policy
- Updates to the Risk Management Framework

The organisation higher level strategic risks are noted below:

Risk 1	Financial Sustainability - financial impact risks to Council
Risk 2	Health and Safety - failure to provide a healthy and safe workplace
Risk 3	Governance, Compliance Reputation and Relationships - failure to transparently govern and embrace good governance
Risk 4	Environmental Impact - significant and more sustained weather events impacting infrastructure and daily life
Risk 5	Information Technology Systems - interruption to business and cyber security
Risk 6	Winter Firewood Availability for Vulnerable Households

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Audit Committee Work Plan – Summary Of Actions/Updates 1 January 2025 to December 2025		
Action	Comment	Status
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))		
<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>In the period 1 January to 31 December 2025 the following policies were reviewed and adopted by Council:</p> <ul style="list-style-type: none"> • Business Continuity Management Policy • CEO Employment and Recruitment Policy • Councillor Confidentiality Policy • Councillor Social Media Policy • Compliance and Enforcement Policy • Municipal Building Control Intervention Policy • Planning permit Applications Referral to Council Policy • Public Interest Disclosure Policy and Procedure • Public Transparency Policy • Significant Tree Policy • Volunteer Policy <p>The following policies are pending Council adoption in December 2025</p> <ul style="list-style-type: none"> • Procurement Policy <p>The Audit and Risk Committee noted that Local Government Victoria has commenced work to address the recommendations of the Sandon Report that Local Government Victoria develop and introduce:</p> <ul style="list-style-type: none"> • Model Governance Rules to promote best practice council meeting procedures • A Model Transparency Policy to promote council openness and transparency. 	<p>Complete</p>

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Monitor compliance with relevant laws and regulations		
Monitor Council's processes regarding compliance with legislation and regulations	<p>Standing internal and external audits and reports to Audit and Risk Committee provide quarterly oversight of compliance.</p> <p>Standing agenda items are considered at weekly Executive Leadership Team (ELT) meetings:</p> <ul style="list-style-type: none"> ○ Any breaches of legislation, or material breaches of Council policy or procedure which requires the attention of the broader executive ○ Legal confidentially constraints, any proven, or suspected/alleged and credible instances of fraud or corruption. ○ Emerging issues or risks such as legislation changes, cultural, financial, reputational, or OH&S matters. <p>Oversight of the Strategic and Operational Risk management framework and actions considered as standard item at monthly ELT meetings</p>	Complete
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))		
Review the CEO Employment and Remuneration Policy Employment Matters Policy annually as per section 45 of the Act.	<p>Following from the appointment of a permanent Chief Executive Officer in May 2025, the CEO Remuneration Advisory Committee are in the process of reviewing the CEO Employment and Remunerations Policy.</p> <p>The CEO Employment and Remunerations Policy was adopted by Council on 21 October 2025</p> <p>The Audit and Risk Committee received a report from the Independent Chair of the CEO Remuneration Advisory Committee relating to the Chief Executive Officer Recruitment on 6 June 2025</p>	Complete
Oversee internal audit function (section 54(2d))		
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.	<p>The Audit and Risk Committee will receive the Audit and Risk Charter on 21 November 2025 for endorsement.</p> <p>The Council will receive the Audit and Risk Charter for adoption on 9 December 2025.</p> <p>The current Charter is available on Council's website under the Audit and Risk Committee Tab.</p>	Within Timeframe

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<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>Monitor the implementation of internal audit's findings and recommendations.</p>	<p>In the period 1 January to 31 December the Internal Auditors RSD Audit have completed the following internal audits in line with the 2024-26 Strategic Internal Audit Program.</p> <ul style="list-style-type: none"> • Payroll Procedures • Cyber Security • Occupational Health and Safety • Fleet Management (Final Report Pending) <p>Due to the timing of the implementation of new system upgrades, the following internal audits were postponed and will be undertaken prior to June 2026:</p> <ul style="list-style-type: none"> • Finance General Controls • Civic Asset Management • ICT General Security Controls <p>The following are listed as standing agenda items at Audit and Risk Committee meetings and are reviewed quarterly:</p> <ul style="list-style-type: none"> • Internal Audit Program Reports • Outstanding Internal Audit Items • Audit Committee Work Plan • Strategic Risk Register • Policy Updates. <p>Internal Auditors and the Audit and Risk Committee have the opportunity for a closed session (as required) prior to the commencement of each Audit and Risk Committee meeting.</p>	<p>Complete</p>
<p>Monitor compliance with relevant laws and regulations</p>		
<p>Assess the Council's procurement framework with a focus on the probity and transparency of policies and procedures/processes</p> <p>Monitor the implementation of financial management policies, including they are aligned with the achievement of the Act's financial management principles.</p>	<p>In accordance with the <i>Local Government Act 2020</i>, Council adopted the following documents on 17 June 2025:</p> <ul style="list-style-type: none"> • 2025-26 Budget • 2025-35 Financial Plan • Revenue and Rating Plan 2025 • 2025-2026 Fees and Charges 	<p>Complete</p>

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	<ul style="list-style-type: none"> Declaration of Rates and Charges for the 12 months ending 30 June 2026 <p>The Procurement Policy was adopted by Council in June 2024 and a review is complete and pending endorsement by Audit and Risk Committee 21 November 2025</p>	
Monitor work by the council to mitigate and plan for climate change risk.	<p>Council has declared Climate Emergency, and the 2022-27 Climate Change Action Plan was adopted by Council on 16 August 2022.</p> <p>In accordance with section 54(2) of the <i>Local Government Act 2020</i> the Audit and Risk Committee reviewed the progress of the Climate Change Action Plan 2022-27 actions in September 2025</p>	Complete
Review issues relating to national competition policy and Local Government Performance Reporting Framework (LGPRF)	<p>The Local Government Performance Reporting Framework (LGPRF) reporting documents were released in June 2025.</p> <p>Final reporting was received by the Audit and Risk Committee in September 2025, and endorsed by Council 16 September 2025.</p>	Complete
Monitor Council financial and performance reporting (section 54(2b))		
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.	<p>External audit completed by Crowe (Australasia) including Financial Statements, Performance Statement and Governance and Management Checklists adopted by Council September 2025.</p> <p>The Audit and Risk Committee reviewed the draft 2025-26 Budget and Fees and Charges in April 2025 prior to the documents being noted by Council and going out for public consultation.</p> <p>The financial and performance statements were received by the Audit and Risk Committee in September 2025 in line with Local Government Framework Performance Reporting requirements.</p>	Complete
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	<p>Accounting policies and procedures are reviewed by external and internal auditors as part of their audit process.</p> <p>The Audit and Risk Committee receive a quarterly report on policies ensuring they are in accordance with the stated financial reporting framework</p>	Complete
Review the appropriateness of accounting policies and disclosures to present a true and fair view	<p>The Audit and Risk Committee received the draft interim Management Letter and Management Checklist in September 2025.</p>	Complete

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<p>Review the financial reporting provided to Council and monitor the financial performance and sustainability of Council</p>	<p>In April 2025, the Audit and Risk Committee reviewed the 2025-26 Draft Budget and 2025-26 Draft Fees and Charges..</p> <p>The final audited 2024-25 financial and performance statements were received by the Audit and Risk Committee in September 2025 and adopted by Council 16 September 2025.</p>	<p>Complete</p>
<p>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</p>	<p>The final audited 2024-25 Financial And Performance Statements were received by the Audit and Risk Committee in September 2025.</p> <p>The 2024-25 Financial and Performance Statements were adopted by Council on 21 October 2025.</p>	<p>Complete</p>
<p>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.</p>	<p>The final audited 2024-25 financial and performance statements were received by the Audit and Risk Committee in September 2025.</p> <p>The 2024-25 Annual Report, incorporating the 2024-25 Financial and Performance Statements were adopted by Council on 21 October 2025.</p>	<p>Complete</p>
<p>Monitor and provide advice on risk management and fraud prevention systems and controls (section 54(2c))</p>		
<p>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.</p>	<p>Report on Strategic Risks scheduled as a standing item at quarterly Audit and Risk Committee meetings.</p> <p>Strategic Risk Register scheduled as a standing item at monthly Executive Leadership Team meetings.</p>	<p>Complete</p>
<p>Review and recommend enhancements to Council's policy for the oversight and management of business risks.</p>	<p>The Business Management Continuity Policy was adopted by Council in April 2025.</p> <p>The Business Continuity Plan was endorsed by Executive Leadership Team the in July 2025.</p> <p>Business Continuity Training was undertaken by external facilitator JLT in September 2025</p>	<p>Complete</p>
<p>Receive regular risk reports, which:</p> <ul style="list-style-type: none"> • provide an overview of management of each strategic risk by strategic risk owners • identify key risks, the status, and the effectiveness of the risk management 	<p>Report on Strategic Risks scheduled as a standing item at quarterly Audit and Risk Committee meetings.</p> <p>Risk register and framework is scheduled as a quarterly standing item on Executive Leadership Team meetings for officers to review existing strategy and risks and assess emerging risks.</p>	<p>Complete</p>

ATTACHMENT 1

systems to ensure that identified risks are monitored and new risks are identified, mitigated, and reported.		
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.	The Business Continuity Plan was endorsed the Executive Leadership Team in July 2025. Business Continuity Training was undertaken by external facilitator JLT in September 2025	Complete
Oversee external audit function (section 54(2d))		
<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>Sight all representation letters signed by management and consider the completeness and appropriateness of the information provided</p>	<p>Crowe (Australasia) completed the 2024-25 financial and performance reporting audits, and the following reports were presented to the Audit and Risk Committee in September 2025 for endorsement:</p> <ul style="list-style-type: none"> • 2024-25 Annual Financial Reports • 2024-25 Performance Statement and Governance Management Checklist • Final Management Letter • External Auditors Closing Report to Audit Committee <p>The 2024-25 Financial and Performance Statements were adopted by Council on 21 October 2025.</p> <p>The External Auditor attends the Audit and Risk Committee Meetings quarterly and has the opportunity to raise any significant resolved or unresolved disagreement with the Audit and Risk Committee.</p>	Complete
Monitor internal controls		
Review the effectiveness of the Council's internal control system with management and the internal and external auditors.	<p>Ongoing program of internal and external audits monitors effectiveness of internal controls.</p> <p>The internal and external auditors attends the Audit and Risk Committee Meetings quarterly.</p> <p>Confidential briefings with the Internal Auditors are scheduled prior to the commencement of all Audit and Risk Committee meetings.</p>	Complete