



AUDIT AND RISK COMMITTEE

BIANNUAL REPORT

For the Period 1 July 2024 to 31 December
2024

Presented to the Audit and Risk Committee on 6 March 2025.

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PURPOSE OF THIS REPORT

The purpose of this report is to provide to Council a bi-annual report on the activities of Council's Audit and Risk Committee in accordance with the *Local Government Act 2020*.

BACKGROUND

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

Under Section 53 of the *Local Government Act 2020* it is a requirement that Council must establish an Audit and Risk Committee.

The Glenelg Shire Council Audit Committee (the Committee) was established in 1997 and the Audit and Risk Committee was reconstituted on 25 August 2020 following the introduction of the *Local Government Act 2020*.

AUDIT COMMITTEE CHARTER

Under Section 54 (1) of the *Local Government Act 2020* it is a requirement for Council to prepare and approve an Audit and Risk Committee Charter.

The Committee reports to Council and provides advice, assurance and recommendations relevant to its charter.

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; and
 - 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; and
- Oversee internal and external audit functions.

The Charter is reviewed bi-yearly. The revised Audit and Risk Committee Charter for 2023-2025 was received by the Audit and Risk Committee on 1 June 2023 and therefore is due for review by June 2025.

MEMBERSHIP

Membership of the Committee currently comprises of five independent representatives, one of whom is chair, and three Councillors including the Mayor and Deputy Mayor. The Committee meets at least four times a year.

Membership for the period 1 July 2024 to 31 December 2024 was as follows:

Name	Membership Type	Term Expiry Date
Independent Members		
Mr David Stafford	Independent Member – <i>Chairperson (elected 6 December 2024)</i>	25 August 2028
Mr Philip Saunders	Independent Member	29 February 2025
Ms Bonnie Holmes	Independent Member	31 August 2025
Mr Greg Tremewen	Independent Member	26 April 2027
Mr Tony Oxford	Independent Member	25 June 2028
Councillor Representatives		
Cr Karen Stephens	Mayor	<i>Pending Mayoral Election 19 November 2025</i>
Cr Robyn McDonald	Deputy Mayor	<i>Pending Deputy Mayor Election 19 November 2025</i>
Cr Matt Jowett	Councillor	October 2028
<i>Cr Michael Carr</i>	<i>Councillor</i>	<i>October 2024</i>
<i>Cr John Northcott</i>	<i>Councillor (former)</i>	<i>October 2024</i>

The Chairperson of the Committee is appointed on an annual basis from the independent membership by all members of the Committee.

The Chief Executive Officer, Director Corporate Services, Executive Manager Governance, Chief Finance Officer and Corporate Governance Coordinator attend all meetings by invitation to assist the Committee, however they do not have voting rights. A standing invitation is also extended to the Council's appointed VAGO representative (external auditor) KPMG and Council's Internal Auditors (AFS & Associates).

MEETINGS AND ATTENDANCE

Three Audit and Risk Committee (A&R) meetings were held between 1 July 2024 and 31 December 2024 and member attendance was as follows:

Member Name	Meeting 1 12 September 2024	Meeting 2 18 October 2024	Meeting 2 7 December 2024
Mr David Stafford	✓	✓	✓
Mr Philip Saunders	✓	✓	✓
Ms Bonnie Holmes	✓	✗	✓
Mr Greg Tremewen	✓	✓	✓
Mr Tony Oxford	✗	✓	✓
Cr Karen Stephens	✓	✓	✓
Cr Robyn McDonald	<i>Non-Member A&R Committee (Council Term 2020 - 2024)</i>	<i>Non-Member A&R Committee (Council Term 2020 - 2024)</i>	✓ <i>Appointed to A&R Committee 26/11/24</i>
Cr Matt Jowett	<i>Elected November 2024</i>	<i>Elected November 2024</i>	✓ <i>Appointed to A&R Committee 26/11/24</i>
Cr Michael Carr	✓	✓	<i>Not re-appointed to A&R Committee</i>
Cr John Northcott	✓	✓	<i>Ceased as Councillor</i>

✓ = Attended

✗ = Apology received

The Committee's meeting schedule for the remainder of the 2024/2025 year is as follows:

- 6 March 2025
- 5 June 2025.

EXTERNAL AUDIT

Council's external auditor is the Victorian Auditor General. The Auditor-General appointed KPMG in November 2023.

The External Auditor's primary duty is to express an opinion on the financial statements, and to report to Council on any weakness in internal control identified during the audit.

INTERNAL AUDIT

Council manages the internal audit function with audits being outsourced to a single service provider established via a public tender process to obtain specialist audit and financial advice and satisfy the requirements under the Council's Procurement Policy. AFS & Associates were awarded the contract on 1 August 2022, expiring 1 August 2026.

In accordance with the Audit and Risk Committee Charter, Council sets a Strategic Internal Audit Plan to direct the activities of the internal audit function. Internal audit provides a review of the effectiveness of governance, risk management and control processes.

A three-year Strategic Internal Audit Plan 2024-2027 was adopted by Council on 23 July 2024.

Following a risk survey completed by Audit and Risk Committee Independent Members, Councillor Committee Members, Executive Team and key management, a three year program was developed which includes the following topics:

Year 1 2024/25:

1. Long Term Financial Planning
2. Capital Project Management
3. Contract Management
4. Review of actions to close out high and medium risk internal audit recommendations.
5. Annual Review of Internal Audit Program and development of rolling 3rd year.

Year 2 2025/26:

1. Records Management and Information Privacy
2. Governance
3. Payroll
4. Review of actions to close out high and medium risk internal audit recommendations
5. Annual Review of Internal Audit Program and development of rolling 3rd year.

Year 3 2026/27:

1. Asset management – Road Assets
2. Organisation Culture
3. Procurement
4. Review of actions to close out high and medium risk internal audit recommendations
5. Annual Review of Internal Audit Program and development of rolling 3rd year.

KEY ACTIVITIES – AUDIT AND RISK ANNUAL WORK PLAN

Under Section 54 (3) of the *Local Government Act 2020* an Audit and Risk Committee must adopt an annual work program.

The Audit and Risk Committee Annual Work Plan sets the framework for the reports to be considered by the Committee throughout the year.

In addition, the Executive Team include additional items of interest during the year to keep the Committee briefed of emerging issues or changes.

The key activities of the Committee for the period 1 July 2024 to 31 December 2024 were as follows:

Financial Reports

The Committee considered the following finance reports between 1 July 2024 and 31 December 2024:

- Audited Financial Statements and Performance Statement as at 30 June 2024
- Glenelg Shire Council Financial Quarterly Report
- Councillor Expenditure Quarterly Report
- CEO and EA Expenditure Report – Credit Card reimbursements
- Outstanding Debtors at 30 June 2024
- Roads to Recovery 2023/2024
- Borrowings Policy
- Annual Update on Defined Benefits Superannuation vested benefit position.
- Summary of Asset Valuations.

Risk Management

At each of its meetings the Committee considered a report that provides an overview of developments in relation to Council's organisational risk management function.

The Committee considered the following risk management reports between 1 July 2024 and 31 December 2024:

- Risk, Workcover and OHS Quarterly Report
- Review Council's Insurance Programme
- Council Litigation Matters

Other Matters

The Committee also considered the following matters during the period 1 July 2024 and 31 December 2024 in accordance with its Charter and Annual Work Plan:

- Election of the Audit and Risk Committee Chairperson
- Audit and Risk Committee Biannual Report for the period 1 January 2024 to 30 June 2024
- Information Asset Register

- Local Government Performance Reporting Framework 2023/2024
- Glenelg Shire Council Annual Report 2023-2024
- Audit and Risk Committee Self-Assessment Survey 2023-2024
- Review Key Policies:
 - Organisational Policy Credit Card Policy
 - Council Policy Public Transparency
- Regulatory and Integrity Agency Reports:
- Audit and Risk Action List
- Cyber Security Incident Report
- Cyber Crime Action Plan
- Security and Penetration Test Status Update
- Protective Data Security Plan (PDSP) Submission to Office of Victorian Information Commissioner (OVIC) 2024
- Organisational Enterprise Resource Program (ERP) update
- Community Satisfaction Survey Results
- Attestation Compliance Report (Standing Item)
- Audit and Risk Committee Annual Work Plan Ending 30 June 2024 (Standing Item).

COMMITTEE PERFORMANCE

As required by its Charter, the Committee is required to undertake a self-assessment of its performance measured against the Committee's obligations as detailed in the Charter. The results of the self-assessment were presented to the September 2024 Audit and Risk Committee Meeting.

The results of the self-assessment showed that members have a high level of satisfaction with the performance of the Audit and Risk Committee.

MINUTES OF THE AUDIT AND RISK COMMITTEE

In accordance with Section 54(6) of the *Local Government Act 2020* the Chief Executive Officer must ensure the preparation and maintenance of agendas, minutes and reports of the Audit and Risk Committee and table reports and annual assessments of the Audit and Risk Committee at Council meetings when required and when requested by the chairperson of the Audit and Risk Committee.

Accordingly, all minutes of the Audit and Risk Committee are presented to the next available Council Meeting.

CONCLUSION

It is of the view that the Audit and Risk Committee has discharged its responsibilities under the Audit and Risk Committee Charter and that with the information presented to it, considers the Council has strong executive management, leadership and governance processes in place to proactively respond to organisational risks that may present.

The three-year Strategic Internal Audit Plan 2024-2027 and Internal Audit Annual Work Plan 2024-2025 have been developed taking into consideration both the organisation's operational and strategic risks as well as current emerging issues faced by the Glenelg Shire Council.

The Committee will continue to review Council's governance, accountability, risk and internal controls to reduce the risk to the organisation and recommend improvements where identified.

David Stafford, Chair



On behalf of the Audit & Risk Committee
18 February 2025