



# AUDIT AND RISK COMMITTEE

---

## BIANNUAL REPORT

For the Period 1 January 2025 to 30 June  
2025

Presented to the Audit and Risk Committee on 11 September 2025.

## Table of Contents

PURPOSE OF THIS REPORT .....	3
BACKGROUND .....	3
AUDIT COMMITTEE CHARTER .....	3
MEMBERSHIP .....	4
MEETINGS AND ATTENDANCE .....	5
EXTERNAL AUDIT .....	5
INTERNAL AUDIT .....	5
KEY ACTIVITIES – AUDIT AND RISK ANNUAL WORK PLAN.....	6
COMMITTEE PERFORMANCE.....	8
MINUTES OF THE AUDIT AND RISK COMMITTEE.....	8
CONCLUSION .....	8

## 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 January 2025 to 30 June 2025 was as follows:

Name	Membership Type	Term Expiry Date
<b>Independent Members</b>		
Mr David Stafford	Independent Member – <i>Chairperson (elected 6 December 2024)</i>	25 August 2028
Ms Bonnie Holmes	Independent Member	31 August 2025
Mr Tony Oxford	Independent Member	25 June 2028
Mr John Duffield	Independent Member	28 February 2029
Ms Samantha Sharp	Independent Member	11 March 2029
<i>Mr Philip Saunders</i>	<i>Independent Member</i>	<i>Tenure Expired 29 February 2025</i>
<i>Mr Greg Tremewen</i>	<i>Independent Member</i>	<i>Retired 4 March 2025</i>
<b>Councillor Representatives</b>		
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

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, Director Community Services, Director Infrastructure, 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 January 2025 and 30 June 2025 and member attendance was as follows:

Member Name	Meeting 1 6 March 2025	Meeting 2 5 June 2025
Mr David Stafford	✓	✓
Ms Bonnie Holmes	✓	✓
Mr Tony Oxford	✓	✗
Mr John Duffield	✓	✓
Ms Sam Sharp	Appointed 11/03/2025	✓
Cr Karen Stephens	✓	✓
Cr Robyn McDonald	✓	✓
Cr Matt Jowett	✓	✗

✓ = Attended

✗ = Apology received

## 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 – Completed. Received by A&R 6/03/2025
2. Capital Project Management – Completed. To be presented to A&R 11/09/2025
3. Contract Management – Completed. To be presented to A&R 11/09/2025

4. Review of actions to close out high and medium risk internal audit recommendations – Completed. To be presented to A&R 11/09/2025
5. Annual Review of Internal Audit Program and development of rolling 3<sup>rd</sup> year – Completed. To be presented to A&R 11/09/2025.

Year 2 2025/26:

1. Records Management and Information Privacy – in progress.
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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 January 2025 and 30 June 2025 were as follows:

### Financial Reports

The Committee considered the following finance reports between 1 January 2025 and 30 June 2025:

- Audited Financial Statements and Performance Statement as at 30 June 2025
- Glenelg Shire Council Financial Quarterly Report
- Budget Process and Timelines
- Annual Budget 2025/2026 update

- Summary of Asset Valuations
- Councillor Expenditure Quarterly Report
- CEO and EA Expenditure Report – Credit Card reimbursements

### 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 January 2025 and 30 June 2025:

- Risk, Workcover and OHS Quarterly Report
- Council Litigation Matters

### Other Matters

The Committee also considered the following matters during the period 1 January 2025 and 30 June 2025 in accordance with its Charter and Annual Work Plan:

- Draft External Audit Strategy
- Interim Management Letter for the Financial Year Ending 30 June 2025
- Strategic Internal Audit Program Status Update
- Draft Strategic Internal Audit Program July 2024 to June 2027
- Industry Update (Regulatory and Integrity Agency Reports)
- Audit and Risk Committee Biannual Report for the period 1 July 2024 – 31 December 2024;
- Review of Audit and Risk Committee Charter
- Business Continuity Plan Update
- Information Asset Register Update
- Protected Data Security Plan Action Plan
- Monitors Report / Final Monitors Report
- Security and Penetration Test Action Plan
- Cyber Security Incident Report

- ERP Program Update
- Glenelg Shire Council Project Update
- Project Update – Portland Foreshore Multipurpose Facility
- Local Port of Portland Bay, Safety and Environmental Management Plan Audit
- Audit and Risk Committee Self-Assessment Survey 2024-2025 Distribution
- Internal Audit Action List
- Road Management Plan Compliance Report
- WEX Motorpass Fuel Cards for the 2024/2025 year
- Attestation Compliance Report
- Draft Audit and Risk Committee Annual Work Plan Ending 30 June 2026

## **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 will be presented to the September 2025 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 2025-2026 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

A handwritten signature in black ink that reads "David Stafford". The signature is written in a cursive, slightly slanted style.

On behalf of the Audit & Risk Committee  
27 August 2025