



13.2 **AUDIT AND RISK COMMITTEE BIENNIAL REPORT AS AT 31 DECEMBER 2022**

EXECUTIVE MEMBER: **JOANNE MCNEILL, GENERAL MANAGER, GOVERNANCE CAPABILITY AND EXPERIENCE**

PREPARED BY: **JULIE SNOWDEN, COORDINATOR RISK AND ASSURANCE**

1. PURPOSE

1.1 To present the Audit and Risk Committee Biannual Report as of 31 December 2022.

2. EXECUTIVE SUMMARY

2.1 Council is required by the Local Government Act (LGA) 2020 to establish an Audit and Risk Committee (the Committee) as an advisory committee of Council.

2.2 Under the LGA, the Audit and Risk Committee must prepare a biannual report on activities to Council.

2.3 This paper satisfies this reporting requirement.

2.4 The last update provided to Council was the presentation of the Audit and Risk Committee Biannual report as of 30 June 2022.

3. RECOMMENDATION

That Council:

3.1 Notes the Audit and Risk Committee Biannual Report as of 31 December 2022, which details activities of the Committee covering scheduled meetings held on 8 September 2022 and 22 November 2022.

4. KEY POINTS/ISSUES

4.1 Matters considered by the Committee at its 8 September 2022 meeting were:

4.1.1 Committee only time

The Committee and the external and internal auditors discussed their respective audit processes, with the committee noting full assistance had been provided by Management.

4.1.2 Chief Executive Officer's Report

The Committee noted the overview from the CEO on key activities, including an update on building cladding, the cost review 2022 as requested by Councillors, Fishermans Bend capital requirement considerations and impacts to the long-term financial strategy and transition of interim CEO following resignation of Peter Smith.

The also noted the Council Plan, Budget and strategic Resource Plan, the draft Report of Operations (Annual Report) and Chief Executive Officer Reports 87 and 88.

4.1.3 Strategic Risk and Internal Audit (SRIA)

The Committee noted the regular SRIA update including emerging risks relating to Kinder Reforms and Equal access to sporting facilities legislative



requirements and general project risks and lessons learned and the Internal Audit Recommendations Status Report.

4.1.4 Assurance Activities Update

The Committee discussed the audit findings from the CX Program Release 2 and OHS audits and signed off on scopes for: the following audits: Capital Project Management, Child Safe Standards and Food Safety Compliance. The Committee also noted the Internal Audit Plan status report 2022/23.

4.1.5 External Audit

External representative from HLB Mann Judd, the agent appointed by the Victorian Auditor General's Office (VAGO) discussed the performance statements and interim closure reports, commending the Chief Financial Officer and the finance team for their efforts, flagging this was their last audit with their contract expiring. The Committee thanked them for their work throughout the duration of the contract.

The Committee noted the management representation letter and recommended the annual accounts and the performance statement for adoption by Council in principle. The Committee also noted the review of Asset Revaluation and Depreciation Methods report.

4.1.6 Compliance Monitoring

The Committee noted the regular Compliance update, the biannual Safety and Wellbeing update and the Procurement update including an update on the Procurement Framework and the annual Procurement and Vendor Compliance update.

4.1.7 Financial Monitoring

The Committee noted the financial sustainability standing report and the Rates Collected and Rates Outstanding Report.

4.1.8 Supplementary Reports

The Committee noted the following reports: Digital and Technology Services (DTS) six-monthly update and an update on the South Melbourne Market Governance Review.

4.1.9 Other Business

The Committee had a brief discussion around mayoral memorabilia and insurance cover levels.

4.2 Matters considered by the Committee at its 22 November 2022 meeting were:

4.2.1 Chief Executive Officer's Report

The Committee noted the overview from the CEO on key activities, including prioritisation of the following 5 focus areas for the organisation: (1) Continued deliver of the Council Plan; (2) Building on Organisational Capability and Culture; (3) Governance and Advocacy; (4) continued work on community engagement and customer experience and (5) Value for money and financial sustainability.

They also noted the Chief Executive Officer Reports 89 and 90.



4.2.2 Strategic Risk and Internal Audit (SRIA)

The Committee noted the regular SRIA update including a discussion around Cyber risks, the Internal Audit Recommendations Status Report, and an annual insurance update.

4.2.3 Assurance Activities Update

The Committee discussed the audit findings from the Child Safe Standards audit and requested further information about actions and timeline for Council becoming fully compliant with the new requirements. The Committee also endorsed the following scopes: Building Services – Building Safety and Swimming Pool Barriers, Human Resources Management and Working from Home Policy and noted the Internal Audit Plan status report 2022/23 and the annual review of the Internal Audit Charter.

4.2.4 External Audit

There were no items for this meeting.

4.2.5 Compliance Monitoring

The Committee noted the regular Compliance update and the Health Safety and Wellbeing Q1 update.

4.2.6 Financial Monitoring

The Committee noted the financial sustainability standing report and the quarterly Financial / Portfolio Deliverability Review.

4.2.7 Supplementary Reports

The Committee noted the following reports: South Melbourne Market six-monthly update; Climate Change update and an update on Gifts and Hospitality.

4.2.8 Performance Evaluation

The Committee noted the results of the annual Self-Assessment Survey on its own performance

4.2.9 Membership Expirations

The Committee nominated an independent member as Chairperson for the 2023 calendar year – considered by Council under separate report February 2023.

5. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 5.1 Strategic Direction 5 - Well Governed Port Phillip: Supporting sound decision-making through transparency, accountability, community participation, risk management and compliance.

6. OFFICER DIRECT OR INDIRECT INTEREST

- 6.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS Nil