



13.1 ANNUAL UPDATED AUDIT AND RISK COMMITTEE CHARTER
AND AUDIT AND RISK COMMITTEE BIENNIAL REPORT AS
AT 30 JUNE 2022

EXECUTIVE MEMBER: CLAIRE STEVENS, GENERAL MANAGER, GOVERNANCE AND
ORGANISATIONAL CAPABILITY

PREPARED BY: JULIE SNOWDEN, COORDINATOR RISK AND ASSURANCE

1. PURPOSE

- 1.1 To adopt the updated Audit and Risk Committee Charter 2022.
- 1.2 To present the Audit and Risk Committee Biannual Report as at 30 June 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 and approve an Audit and Risk Committee Charter (the Charter) which sets out the Committee's objective, authority, composition, tenure, role and responsibilities, reporting and administrative arrangements with the Charter to be reviewed annually. The Audit and Risk Committee must also prepare a biannual report on activities to Council.
- 2.3 This paper satisfies this reporting requirement and the annual review of the charter for adoption by Council.
- 2.4 The last update provided to Council was the presentation of the Audit and Risk Committee Biannual report as at 31 December 2021.

3. RECOMMENDATION

That Council:

- 3.1 Adopts the updated Audit and Risk Committee Charter (Attachment 1).
- 3.2 Notes the Audit and Risk Committee Biannual Report as at 30 June 2022, which details activities of the Committee covering scheduled meetings held on 25 February 2022, 3 May 2022 (annual workshop) and 21 June 2022.
- 3.3 Notes that the updated Audit and Risk Committee Charter will be published on Council's website.

4. KEY POINTS/ISSUES

4.1 Proposed changes to the Charter

- 4.1.1 The major changes to the Committee Charter in 2020 ensured compliance with the new LGA 2020. This year some minor changes have been made:
 - Updated CoPP policy template;
 - Information / references updated where required;
 - Officer title/s updated where required;
 - Charter approval date and review dates updated.



4.1.2 The Audit and Risk Committee adopted the proposed changes to the Charter at its 21 June 2022 meeting for subsequent Council endorsement at the next available meeting.

4.2 Matters considered by the Committee at its 21 February 2022 meeting were:

4.2.1 Chief Executive Officer's Report

The Committee noted the overview from the CEO on key activities, including an update on the long term financials and ongoing challenges, including the impacts of the recent decision regarding rates exemption on social housing, and general organisational wellbeing, where the focus is on refreshing COVID Plans / business continuity sub plans and staff recovery and engagement.

4.2.2 Strategic Risk and Internal Audit (SRIA)

The Committee noted the regular SRIA update, the Internal Audit Recommendations Status Report, an insurance update with a focus on policy exclusions, and a general fraud update.

4.2.3 Assurance Activities Update

The Committee discussed the audit findings from the Cyber Security internal audit and agreed the scope for the COVID Grants Acquittals compliance testing, The Committee also noted the Internal Audit Plan status report 2020/21.

4.2.4 External Audit

There were no items for discussion at this meeting.

4.2.5 Compliance Monitoring

The Committee noted the regular Compliance update and the Occupational Health and Safety (OHS) 6 monthly update.

4.2.6 Financial Monitoring

The Committee noted the financial sustainability standing report.

4.2.7 Supplementary Reports

The Committee noted the following reports: Digital and Technology Services 6 monthly update, External Publication – IBAC Corruption risks associated with government funded human services and a Project Delivery Progress update.

4.3 Matters considered by the Committee at its 3 May 2022 workshop were:

4.3.1 Workshop Discussion

The Committee discussed the business, risk and assurance landscapes to help inform the input into the strategic three-year internal audit plan 2022/23 – 2024/25 and focus for the 2022-23 internal audit plan.

4.4 Matters considered by the Committee at its 21 June 2022 meeting were:

4.4.1 Chief Executive Officer's Report

The Committee noted the overview from the CEO on key activities, including an update on the Rating and Waste Strategies, Organisational Health and Wellbeing and the new WorkSafe psychological regulations and the new emerging risk



relating to cladding, with the proposition that this risk be handed back to Councils from the Victorian Building Authority.

4.4.2 Strategic Risk and Internal Audit (SRIA)

The Committee noted the regular SRIA update, including an update on the potential Defined Benefits superannuation call and high staff turnover. The Committee also noted the Internal Audit Recommendations Status Report.

4.4.3 Assurance Activities Update

The Committee discussed the audit findings from the following audits: Compliance Framework, Asset Management, COVID Grant Acquittals, Councillor Expenses Follow-up and Parklet Permits. The Committee also noted the Internal Audit Plan status report 2020/21, endorsed the strategic three-year internal audit plan 2022/23 – 2024/25, and agreed the focus areas for the first six months of the 2022-23 internal audit plan.

4.4.4 External Audit

External representative from HLB Mann Judd, the agent appointed by the Victorian Auditor General's Office (VAGO) discussed the Draft Audit Strategy and status of audit, noting audit work was well progressed.

4.4.5 Compliance Monitoring

The Committee noted the regular Compliance update and the Occupational Health and Safety (OHS) update, as well as an update on Councillor expenses to March 2022.

4.4.6 Financial Monitoring

The Committee noted the financial sustainability standing report and endorsed the Investment and Treasury Management Policy recommending the policy for approval by Council.

4.4.7 Supplementary Reports

The Committee noted the South Melbourne Market six monthly update.

4.4.8 Audit and Risk Committee Charter Review

The Committee adopted the proposed changes to the Audit and Risk Committee Charter for subsequent endorsement by Council at the next available meeting.

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 1. Audit and Risk Committee Charter 2022  