



# **MANSFIELD SHIRE COUNCIL**

## **Audit and Risk Committee**

23 August 2021  
VIA ZOOM

# **MINUTES**

**4.30pm meeting for Committee.**  
Council Officers will be attending from 5.00pm

## **CONTENTS**

<b>1.</b>	<b><i>OPENING OF THE MEETING</i></b> .....	<b>2</b>
<b>2.</b>	<b><i>APOLOGIES</i></b> .....	<b>2</b>
<b>3.</b>	<b><i>CONFIRMATION OF MINUTES</i></b> .....	<b>2</b>
<b>4.</b>	<b><i>DISCLOSURE OF CONFLICTS OF INTEREST</i></b> .....	<b>2</b>
<b>5.</b>	<b><i>ADMINISTRATIVE ITEMS</i></b> .....	<b>3</b>
	<b><i>5.1 Annual Work Plan</i></b> .....	<b>3</b>
	<b><i>5.2 Audit &amp; Risk Committee Report to Council</i></b> .....	<b>3</b>
	<b><i>5.3 Annual Meeting Schedule</i></b> .....	<b>3</b>
	<b><i>5.4 ARC Performance Reporting Actions</i></b> .....	<b>3</b>
	<b><i>5.5 Local Government Act 2020 Implementation Plan</i></b> .....	<b>3</b>
	<b><i>6.1 Fixed Asset Valuations 2020-21</i></b> .....	<b>4</b>
	<b><i>6.2 Financial Statements 2020-21</i></b> .....	<b>4</b>
	<b><i>6.3 Performance Statement 2020-21</i></b> .....	<b>4</b>
	<b><i>6.4 Governance and Management Checklist 2020-21</i></b> .....	<b>5</b>
	<b><i>6.5 Insurance Program 2021-22 Report</i></b> .....	<b>5</b>
	<b><i>7.1 Policy Register Status Update</i></b> .....	<b>5</b>
	<b><i>7.2 Mansfield Shire Council Investment Schedule</i></b> .....	<b>5</b>
	<b><i>8.1 Mansfield Shire Risk Management Report</i></b> .....	<b>6</b>
	<b><i>9.1 Internal Audit</i></b> .....	<b>6</b>
	<b><i>10 External Audit</i></b> .....	<b>7</b>
	<b><i>11.1 Procurement Exceptions</i></b> .....	<b>7</b>
	<b><i>11.2 Vested Benefits Index Update</i></b> .....	<b>7</b>
	<b><i>11.3 Industry Update</i></b> .....	<b>7</b>
	<b><i>11.4 Closed Landfills Risk Assessments</i></b> .....	<b>7</b>
<b>8</b>	<b><i>OTHER BUSINESS</i></b> .....	<b>8</b>
<b>9</b>	<b><i>NEXT MEETING</i></b> .....	<b>8</b>
<b>10</b>	<b><i>CLOSURE OF MEETING</i></b> .....	<b>8</b>



# MINUTES

23 August 2021  
VIA ZOOM  
4.30PM

4.30pm meeting of the Committee.  
Council Officers will be attending from 5.00pm

## 1. OPENING OF THE MEETING

Bruce Potgieter, Chairperson, opened the meeting at 5.00 pm.

### PRESENT

#### External Members:

Mr Peter Johnston  
Bruce Potgieter  
Moh-Lee Ng

#### Councillors:

Cr Mark Holcombe  
Cr Rohan Webb

### IN ATTENDANCE

#### Chief Executive Officer:

Kaylene Conrick

#### General Manager Community &

#### Corporate Services:

Kurt Heidecker

#### General Manager Infrastructure & Planning

Kirsten Alexander

#### Manager Business & Performance:

Mandy Kynnersley

#### Outgoing Coordinator Governance and Risk:

Michelle Kain

#### Incoming Coordinator Governance and Risk:

Moira Moss

#### AFS and Associates – Internal Auditor

Bradley Ead

#### Johnsons MME – Auditor

Ryan Schischka

## 2. APOLOGIES

Nil.

## 3. CONFIRMATION OF MINUTES

### Mr Johnson/Cr Holcombe:

That the Minutes of the Audit and Risk Committee Meeting held on 17 May 2021 be confirmed as an accurate record.

carried

## 4. DISCLOSURE OF CONFLICTS OF INTEREST

Nil.



## 5. ADMINISTRATIVE ITEMS

### 5.1 Annual Work Plan

**Recommendation:**

That the Audit and Risk Committee adopt the Annual Work Plan 2021-22.

carried

### 5.2 Audit & Risk Committee Report to Council

**Recommendation:**

That the Audit & Risk Committee provide a report describing the activities, findings and recommendations for the year ended 30 June 2021 to the Chief Executive Officer for tabling at the next Council Meeting.

carried

**ACTION:** GMCCS to organise a briefing with Councillors to determine what they want to see in a six monthly report from the Audit & Risk Committee.

**ACTION:** Six monthly report from ARC to Council now to be as at the end of March and as at the end of September.

### 5.3 Annual Meeting Schedule

**Recommendation:**

That the Audit and Risk Committee adopt a meeting schedule for the 2021-22 year (1 September 2021 to 31 August 2022).

carried

### 5.4 ARC Performance Reporting Actions

No actions.

### 5.5 Local Government Act 2020 Implementation Plan

**Recommendation:**

THAT the Audit and Risk Advisory Committee receive and note the *Local Government Act 2020* implementation plan update.

carried



## 6.1 Fixed Asset Valuations 2020-21

**Recommendation:**

**THAT the Audit and Risk Committee note the valuation reports for Bridges, Drainage and Land Under Roads and recommend the valuations therein are adopted for the financial statements as at 30 June 2021.**

carried

## 6.2 Financial Statements 2020-21

**Mr Johnston/Cr Holcombe:**

**That the Audit and Risk Committee:**

- 1. review the draft Financial Statements 2020-21 and provide feedback to the Manager Business & Performance.**
- 2. receive and consider the draft VAGO Closing Report**
- 3. recommend the draft Financial Statements 2020-21 (subject to changes required by the Committee and the auditors) to Council for adoption.**
- 4. thank Ryan Schischka and the team at Johnsons MME for their support and assistance over the past three years as the External Audit service provider.**

carried

**ACTION:** On page 135, include definitions of the fair value hierarchies, from note 8.4.

## 6.3 Performance Statement 2020-21

**Cr Webb/Mr Johnston:**

**That the Audit and Risk Committee:**

- 1. review the draft Performance Statement 2020-21 and provide feedback to the Manager Business & Performance.**
- 2. recommend the draft Performance Statement 2020-21 (subject to any changes required by the Committee and the auditors) to Council for adoption.**

carried

**ACTION:** In statutory planning commentary, disclose the percentage of decisions that are referred to VCAT.



#### 6.4 Governance and Management Checklist 2020-21

**Ms Ng/Cr Holcombe:**

**That the Audit and Risk Committee:**

**1. review the draft Governance and Management Checklist 2020-21 and provide feedback to the Coordinator Governance & Risk.**

**2. recommend the draft Governance and Management Checklist 2020-21 (subject to any changes required by the Committee) to Council for adoption.**

**carried**

#### 6.5 Insurance Program 2021-22 Report

**Recommendation:**

**THAT the Audit and Risk Advisory Committee receive and note the Insurance Program 2021-22 Report.**

**carried**

**ACTION:** Information about Commercial Crime insurance to be provided to committee.

#### 7.1 Policy Register Status Update

**Recommendation:**

**That the Audit and Risk Committee note the Policy Register as at 10 August 2021.**

**carried**

#### 7.2 Mansfield Shire Council Investment Schedule

**Recommendation:**

**THAT the Audit and Risk Committee receive and note the Investment Portfolio Report 31 July 2021.**

**carried**



## 8.1 Mansfield Shire Risk Management Report

**Recommendation:**

**THAT the Audit and Risk Committee receive and note the Risk Report.**

**carried**

**ACTION:** Update on Dead Horse Lane case at the November meeting.

**ACTION:** The Child Safe Audit Interim report was noted by the committee. A final management response and action plan to be provided at the November meeting.

**ACTION:** Focus on Risk Register at November meeting.

**ACTION:** Report outlining any new regulations for the last quarter, and how they are being addressed.

**ACTION:** Electronic Security risk on the Risk Register to be reviewed.

**ACTION:** Check that our resourcing concerns are rated appropriately on our Risk Register.

## 9.1 Internal Audit

**Recommendation:**

**That the Audit and Risk Committee:**

- 1. receives and notes the Internal Audit Program Status Update presented by AFS & Associates; and**
- 2. receives and notes the Audit Actions Performance Report; and**
- 3. Receives and notes the Past Issues Internal Audit Report; and**
- 4. Receives and notes the draft Long Term Financial Planning Internal Audit Report**

**carried**

**ACTION:** The table in the officer report to include comparative previous quarter statistics.

**ACTION:** Council to undertake a self-assessment against the Australian Cyber Security Essential Eight

**ACTION:** Management to recommend two audit topics at the November meeting for Audit Schedule 2021-22

**ACTION:** Asset Management to be removed from the Audit schedule



**NOTE:** The committee approved the two past issues that were agreed by Internal Audit and subject to ARC approval.

## 10 External Audit

External Audit circulated their draft closing report prior to the meeting.

**ACTION:** Management to prepare AASB15/1058 calculations for Interim Audit and May Audit Committee.

**ACTION:** Budget process to include strategic consideration of waste management reserve and waste service charge pricing.

**ACTION:** External Audit Final Management Letter to be presented to the Committee in November.

### 11.1 Procurement Exceptions

**Recommendation:**

That the Audit and Risk Committee notes the Procedural Exception Memorandum/s authorised by the Chief Executive Officer between 11 May 2021 and 9 August 2021.

carried

### 11.2 Vested Benefits Index Update

**Recommendation:**

That the Audit and Risk Committee note the VBI update from Vision Super, dated 28 May 2021.

carried

### 11.3 Industry Update

No actions.

### 11.4 Closed Landfills Risk Assessments

**Recommendation:**

**THAT** the Risk and Audit Committee note this report.

carried

**ACTION:** Capture in the Risk Register.

**ACTION:** Update to be provided at the February Council Meeting.



## **8 OTHER BUSINESS**

The Committee wishes to record their thanks and appreciation to Ms Kain, Coordinator Governance & Risk.

## **9 NEXT MEETING**

The next meeting of the Audit and Risk Advisory Committee will be 15 November 2021 via Zoom.

## **10 CLOSURE OF MEETING**

The Chair closed the meeting at 6.56pm.

CONFIRMED this Fifteenth day of November 2021

\_\_\_\_\_ Chair