



# **MANSFIELD SHIRE COUNCIL**

## **Audit and Risk Committee**

17 May 2021

Council Chamber, 33 Highett Street, Mansfield

**4.30pm meeting for Committee.**

Council Officers will be attending from 5.00pm

**Unconfirmed**

# **MINUTES**

## **CONTENTS**

<b>1.</b>	<b><i>OPENING OF THE MEETING</i></b> .....	<b>3</b>
<b>2.</b>	<b><i>APOLOGIES</i></b> .....	<b>3</b>
<b>3.</b>	<b><i>CONFIRMATION OF MINUTES</i></b> .....	<b>3</b>
<b>4.</b>	<b><i>DISCLOSURE OF CONFLICTS OF INTEREST</i></b> .....	<b>3</b>
<b>5.</b>	<b><i>ADMINISTRATIVE ITEMS</i></b> .....	<b>4</b>
	<b><i>5.1 Local Government Act 2020 Implementation Plan</i></b> .....	<b>4</b>
	<b><i>5.2 ARC Performance Reporting Actions</i></b> .....	<b>4</b>
<b>6.</b>	<b><i>FINANCIAL AND PERFORMANCE REPORTING</i></b> .....	<b>4</b>
	<b><i>6.1 Finance Report: 1 July 2020 to 31 March 2021</i></b> .....	<b>4</b>
	<b><i>6.2 Council Plan Performance Reporting Q3 20-21</i></b> .....	<b>4</b>
<b>7.</b>	<b><i>INTERNAL CONTROL ENVIRONMENT</i></b> .....	<b>5</b>
	<b><i>7.1 Policy Register Update</i></b> .....	<b>5</b>
	<b><i>7.2 Borrowing Policy</i></b> .....	<b>5</b>
	<b><i>7.3 Financial Management Strategy</i></b> .....	<b>5</b>
	<b><i>ACTION: Within the policy, specify how to minimise carry forwards.</i></b> .....	<b>5</b>
	<b><i>7.4 Carry Forward Projects Policy</i></b> .....	<b>5</b>
	<b><i>7.5 Mansfield Shire Council Investment Schedule</i></b> .....	<b>6</b>
<b>8.</b>	<b><i>RISK MANAGEMENT</i></b> .....	<b>6</b>
	<b><i>8.1 Mansfield Shire Council Risk Register</i></b> .....	<b>6</b>
	<b><i>8.2 Occupational Health and Safety</i></b> .....	<b>6</b>
<b>9.</b>	<b><i>INTERNAL AUDIT</i></b> .....	<b>8</b>
	<b><i>9.1 Internal Audit</i></b> .....	<b>8</b>
<b>10.</b>	<b><i>EXTERNAL AUDIT</i></b> .....	<b>8</b>
<b>11.</b>	<b><i>COMPLIANCE MANAGEMENT</i></b> .....	<b>9</b>
	<b><i>11.1 Procurement Exceptions</i></b> .....	<b>9</b>
	<b><i>11.2 Vested Benefits Index Update</i></b> .....	<b>9</b>



<i>11.3 VAGO Report on Maintaining Local Roads</i> .....	<i>9</i>
<i>11.4 Reports by Regulatory and Integrity Agencies</i> .....	<i>9</i>
<b>12. OTHER BUSINESS</b> .....	<b>10</b>
<b>13. NEXT MEETING</b> .....	<b>10</b>
<b>14. CLOSURE OF MEETING</b> .....	<b>10</b>



# AGENDA

17 May 2021  
Council Chamber, 33 Highett Street, Mansfield  
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

#### Interim General Manager Community & Corporate Services:

Mandy Kynnersley

#### General Manager Infrastructure & Planning

Kirsten Alexander

#### Coordinator Governance and Risk:

Michelle Kain

#### AFS and Associates – Internal Auditor

Bradley Ead

#### Johnsons MME – Auditor

Ryan Schischka (virtually via Zoom)

## 2. APOLOGIES

Nil.

## 3. CONFIRMATION OF MINUTES

### Recommendation:

**That the Minutes of the Audit and Risk Committee Meeting held on 15 February 2021 be confirmed as an accurate record.**

Carried

## 4. DISCLOSURE OF CONFLICTS OF INTEREST

Nil.



**5. ADMINISTRATIVE ITEMS**

**5.1 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

**5.2 ARC Performance Reporting Actions**

No actions.

**6. FINANCIAL AND PERFORMANCE REPORTING**

**6.1 Finance Report: 1 July 2020 to 31 March 2021**

**Recommendation:**

**That the Audit & Risk Committee notes the Year to Date Finance Report for the period 1 July 2020 to 31 March 2021.**

Carried

**6.2 Council Plan Performance Reporting Q3 20-21**

**File Number: E4397**  
**Responsible Officer: Coordinator Governance & Risk, Michelle Kain**

**Recommendation:**

**THAT the Audit and Risk committee receive and note the Council Plan Performance Report as at 31 March 2021.**

Carried

NOTE: one of the KPIs under Strategic Direction Two – Financial Sustainability should have shown “Yes” for Achieved. This has been amended.



## 7. INTERNAL CONTROL ENVIRONMENT

### 7.1 Policy Register Update

**Recommendation:**

**That the Audit and Risk Committee note the Policy Register as at 4 May 2021.**

Carried

**ACTION:** Review policy template to capture the governance principles.

### 7.2 Borrowing Policy

**Recommendation:**

**That the Audit & Risk Committee recommend the Borrowing Policy 2021 to Council for adoption.**

Carried

**ACTION:** Within the policy, Committee asked for a definition of “appropriate lending institutions”

### 7.3 Financial Management Strategy

**Recommendation:**

**That the Audit & Risk Committee recommend the Financial Management Strategy 2021 to Council for endorsement.**

Carried

**ACTION:** Within the policy, specify how to minimise carry forwards.

### 7.4 Carry Forward Projects Policy

**Recommendation:**

**That the Audit & Risk Committee recommend the Carry Forward Projects Policy 2021 to Council for endorsement.**

Carried



## 7.5 Mansfield Shire Council Investment Schedule

**Recommendation:**

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

Carried

## 8. RISK MANAGEMENT

### 8.1 Mansfield Shire Council Risk Register

**Recommendation:**

THAT the Audit and Risk Committee receive and note the Risk Report including the Risk Register as at 4 May 2021.

Carried

**ACTION:** Define what Council’s interpretation of “inherent” means as it pertains to our Risk Register.

**ACTION:** Provide a report to ARC on the number of cyber attack attempts.

### 8.2 Occupational Health and Safety

**Recommendation:**

That the Audit and Risk Advisory Committee receive this report.

Carried



## 9. INTERNAL AUDIT

### 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.**

Carried

**ACTION:** Remove the Rate Revenue and Debtor Management Audit from the Internal Audit Plan. Consider Payroll or Procurement for discussion at August Meeting.

**ACTION:** Chair to provide example procurement metrics from another council to Ms Kynnersley.

## 10. EXTERNAL AUDIT

**Recommendation:**

**That the Audit and Risk Committee receive and notes:**

- 1. the Audit Strategy Memorandum; and**
- 2. the Draft Interim Management Letter.**

Carried



## 11. COMPLIANCE MANAGEMENT

### 11.1 Procurement Exceptions

**Recommendation:**

That the Audit and Risk Committee notes the Procedural Exception Memorandum/s authorised by the Chief Executive Officer between 26 January 2021 and 10 May 2021.

Carried

### 11.2 Vested Benefits Index Update

**Recommendation:**

That the Audit and Risk Committee note the VBI update from Vision Super, dated 11 March 2021.

Carried

### 11.3 VAGO Report on Maintaining Local Roads

**Recommendation:**

That the Audit & Risk Committee notes the information provided in the report and attachments.

Carried

### 11.4 Reports by Regulatory and Integrity Agencies

**ACTION:** Committee has requested Council undertake a Self Assessment against the VAGO report on Sexual Harassment.





## 12. OTHER BUSINESS

1. Commencing at the August meeting, the CEO will give a verbal update of any current issues (at Item 5).
2. Report to be provided to ARC on Council's progress against the Digital Transformation Strategy.

## 13. NEXT MEETING

The next meeting of the Audit and Risk Advisory Committee will be held on Monday, 23 August 2021 in the Council Chamber commencing at 4.30 pm for Committee members with officers attending from 5.00 pm.

## 14. CLOSURE OF MEETING

There being no further business the meeting concluded at 6.43 pm.

CONFIRMED this **Twenty Third** day of August 2021.

\_\_\_\_\_ **Chair**