

OFFICIAL



Mansfield Shire

Audit and Risk Committee

Monday 26 August 2024

Commencing at 2:30pm for Committee | Officers attend from 3:00pm

Our aspiration for our Shire and its community

We live, work and play in an inclusive, dynamic and prosperous place where community spirit is strong and people are empowered to engage in issues that affect their lives.

Councillors

Cr Steve Rabie (Mayor)
Cr Mark Holcombe

Officers

Kirsten Alexander, Chief Executive Officer
Melissa Crane, General Manager Investment & Planning
Janique Snyder, Executive Manager People, Communications & Governance
Michael McCormack, Financial Controller
Tanya Tabone, Coordinator Communications, Governance & Risk Officer
Chelsea Young, Governance & Risk Officer
Travis Derricott, Sector Director, Financial Audit - Victorian Auditor-General's Office
Lee Blashki, Manager – Financial Audit, Victorian Auditor-General's Office
Bradley Ead, AFS and Associates – Internal Auditor

Members

Peter Johnston (Chair)
Jane Watson
Moh-Lee Ng

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Agenda

1. Opening of the Meeting

2. Present

The Chair will call on each Committee Member and ask them to confirm verbally that they can see all Members and hear the proceedings.

3. Apologies

The Chair will call on the CEO for any apologies.

4. Acknowledgement of Country

The Chair will recite Council's Acknowledgement of Country:

"Our meeting is being held on the lands of the Taungurung people and we wish to acknowledge them as Traditional Owners. We would also like to pay our respects to their Elders, past and present, and Aboriginal Elders of other communities who may be here today."

5. Disclosure of Conflicts of Interest

The Chair will call on each member in turn and ask them to declare whether they have any conflicts of interest in relation to any agenda items.

6. Confirmation of Minutes

Recommendation

THAT the Minutes of the Mansfield Shire Council Audit and Risk Committee Meeting held on Monday 27 May 2024 be confirmed as an accurate record.

7. Administrative Items

7.1. Audit and Risk Committee Annual Meeting Schedule 2024-25

File Number	E9616	Responsible Officer	Governance and Risk Officer, Chelsea Young
Purpose			

The Audit and Risk Committee must formally set a meeting schedule for 2024-25.

Executive Summary

Audit and Risk Committee meetings are held in the months of November, February, May and August. An additional shorter meeting is held in September to consider the Annual Financial Statements.

Meetings commence at 2:30pm for Committee members, with management in attendance from 3:00pm, and closing at 5:00pm.

As per the Audit and Risk Committee Charter meetings can be held either face-to-face or online, as agreed by the Committee.

Key Issues

Due to council elections scheduled to take place in October 2024, it is recommended that the Audit and Risk Committee meeting that typically occurs in November be delayed to early December 2024 to allow time for new Councillors to be sworn in and elected to the Audit and Risk Committee.

The meeting schedule outlined below is for the Committee's consideration.

Proposed Meeting Schedule		
Date	Time	Location
Monday 9 December 2024	2:30pm (Executive Mgt Team attend from 3:00pm)	Council Chamber (or Zoom)
Monday 25 February 2025	2:30pm (Executive Mgt Team attend from 3:00pm)	Council Chamber (or Zoom)
Monday 26 May 2025	2:30pm (Executive Mgt Team attend from 3:00pm)	Zoom
Monday 25 August 2025	2:30pm (Executive Mgt Team attend from 3:00pm)	Zoom
Monday 29 September 2025	Meeting operates from 3:00pm to 4:00pm to consider the Annual Financial Statements.	Zoom

A predetermined meeting schedule does not preclude the Committee from scheduling additional meetings from time to time if required.

Recommendation
THAT THE AUDIT AND RISK COMMITTEE adopt a meeting schedule for the 2024-25 year (1 October 2024 to 30 September 2025).
Support Attachments
Nil

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Not Applicable

Collaboration

Not Applicable

Financial Impact

Not Applicable

Legal and Risk Implications

Not Applicable.

Regional, State and National Plans and Policies

Not Applicable

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council

Strategic Objective 8: A consultative Council that represents and empowers its community

Strategy 8.2: Develop capacity and capability to advocate powerfully for the most important interests of the Mansfield community

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

7.2. Action Item and Open Audit Recommendations Registers

File Number	E9616	Responsible Officer	Financial Controller, Michael McCormack
Purpose			

This report presents the Action Register and the Audit Recommendations Register for consideration by the Committee and to provide information on progress against the actions.

Executive Summary

The Action Register is generated for each Audit and Risk Committee (ARC) meeting and lists the items that require action from previous ARC meetings. There were 6 actions closed post the 27 May 2024 meeting, 5 actions remain open (in progress with expected completion dates detailed in the register) with 2 items not yet due.

The Audit Recommendations Register is a report on progress against the recommendations from all internal and external audits. 22 items are open and progressing, with 8 items not yet due for completion.

Key Issues

Action Register

This register lists the items raised at Audit and Risk Committee meetings whereupon council staff have undertaken to follow up questions/queries raised by the committee. The Action Register informs the agenda for the ARC meeting and timelines for business unit presentations to ARC.

Modern Slavery Act Reporting Requirements

The Modern Slavery Act 2018 requires entities based, or operating, in Australia, which have an annual consolidated revenue of more than \$100 million, to report annually on the risks of modern slavery in their operations and supply chains, and actions to address those risks.

Mansfield Shire Council does not have any reporting obligations under the Act as Council's consolidated annual revenue as at the timing of writing this report is under \$100 million.

Audit Recommendations Register

This register lists the audit recommendations related to both internal and external audits and lists the status of Council's actions in response to the recommendations. The register has been updated to include the Information Privacy and Records Management, and Cyber Security and Governance audit findings. Of the 22 items in progress comments are included in the update column. Additional recommendations will be added as audits are completed as part of the internal and external audit schedule or any additional audits that take place.

Recommendation

THAT THE AUDIT AND RISK COMMITTEE notes the Action Register and the Audit Recommendations Register as of August 2024.

Support Attachments

1. Action Register (August 2024) [7.2.1 - 1 page]
2. Audit Recommendations Register (August 2024) [7.2.2 - 7 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Not Applicable

Collaboration

Not Applicable

Financial Impact

Not Applicable

Legal and Risk Implications

Not Applicable.

Regional, State and National Plans and Policies

Not Applicable

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 8 A consultative Council that represents and empowers its community

Strategy 8.1 Increase community trust in Council to make informed decisions with “no surprises”

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

7.3. Annual Work Plan 2024-25

File Number	E9616	Responsible Officer	Governance and Risk Officer, Chelsea Young
Purpose			

This report presents the 2024-25 Annual Work Plan for the Committee to adopt.

Executive Summary

The *Local Government Act 2020* and Council’s Audit and Risk Committee Charter require the adoption of an annual work plan.

The Work Plan is presented at each ARC meeting with a comment on progress and/or actions as part of that report.

Key Issues

The proposed 2024-25 work plan is attached for the Committee’s consideration.

Recommendation

THAT THE AUDIT AND RISK COMMITTEE adopts the 2024-25 Annual Work Plan and notes the update provided.

Support Attachments

1. Audit and Risk Committee - Annual Workplan 2024-25 [7.3.1 - 2 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not applicable

Community Engagement

Not applicable

Collaboration

Not applicable

Financial Impact

Not applicable

Legal and Risk Implications

Not applicable

Regional, State and National Plans and Policies

It is a requirement under Section 54(3) of the *Local Government Act 2020* that the committee adopt an annual work plan.

Innovation and Continuous Improvement

Not applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report does not have a conflict of interest to declare in this matter, in accordance with the *Local Government Act 2020*.

7.4. Audit and Risk Committee Report to Council

File Number	E11404	Responsible Officer	Governance and Risk Officer, Chelsea Young
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Purpose

This report provides the opportunity for the Audit & Risk Committee to consider and provide input into the Committee’s biannual report to Council.

Executive Summary

The Audit & Risk Committee Charter and the *Local Government Act 2020* require the Audit & Risk Committee to present a biannual report on its activities, findings and recommendations for tabling at a Council meeting.

A proposed report has been prepared and is presented for the Committee’s review and comment.

It is anticipated that the final report will be tabled at the September 2024 Council Meeting.

Key Issues

The Audit & Risk Committee Charter and the *Local Government Act 2020* require a biannual report to Council. In accordance with the Annual Work Plan of the Committee, the report should be prepared and considered at the August (activities for the preceding year ending 30 June) and February (activities for the preceding half year ended 31 December) Committee meetings.

The Chair of the Audit and Risk Committee offers the attached report as fulfilling the requirements under section 9.4 (d) of the Charter to facilitate a biannual Audit and Risk Committee report that describes the activities of the Committee and includes its findings and recommendations. The attached draft report is for the six months to 30 June 2024.

Recommendation

THAT THE AUDIT AND RISK COMMITTEE provide a report describing the activities, findings and recommendations for the six months ending 30 June 2024 to the Chief Executive Officer for tabling at the 17 September 2024 Council Meeting.

Support Attachments

1. Audit and Risk Committee - Report to Council [7.4.1 - 7 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Not Applicable

Collaboration

Not Applicable

Financial Impact

Not Applicable

Legal and Risk Implications

Not Applicable

Regional, State and National Plans and Policies

It is a requirement under Section 54(5) of the *Local Government Act 2020* that the committee must prepare a biannual audit and risk report for the CEO to table at the next Council meeting.

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 1: Connected and Healthy Community Strategic Objective 1: The health and wellbeing of families and communities is maximised

Strategy 1.1 Embed health and wellbeing enablers and protections to reduce risks to our communities.

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the *Local Government Act 2020*.

7.5. Service Area Presentation: Planning - Strategic and Statutory

File Number	E11404	Responsible Officer	Coordinator Statutory Planning, Nicole Embling
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Purpose

To provide the Audit and Risk Committee with an overview of the Statutory and Strategic Planning programs for the 2023/24 Financial Year.

Executive Summary

This presentation will cover the Statutory and Strategic Planning programs for the 2023/24 Financial Year.

Key Issues

Council's Statutory and Strategic Planning programs are run within the Planning and Environment Department under the direction of the Coordinator Statutory Planning.

The following tasks are managed through the unit:

- ▶ Planning Permit Applications
- ▶ Development Plan Applications
- ▶ Appeals through the Victorian Civil and Administrative Tribunal (VCAT)
- ▶ Section 173 Agreements
- ▶ Certification and Statement of Compliance for subdivisions
- ▶ Planning Scheme Amendments
- ▶ Strategic Plan Development

The unit is staffed by one full-time Coordinator, one full-time Administrative Support Customer Service Officer, one 0.8FTE Senior Planner, 2.0FTE Statutory Planner, and 1.6FTE Strategic Planner. The 1.6FTE Strategic Planner position is currently operating with two 0.6 Planning Support Officers.

The unit manages two main functions – Statutory and Strategic, as follows.

Statutory Planning

The work undertaken by the unit in relation to Statutory Planning includes:

- ▶ Assessing planning permit and related applications, including amendments, secondary consent and extensions of time, in accordance with the *Planning & Environment Act 1987* and the Mansfield Planning Scheme.
- ▶ Representing Council at VCAT in relation to appeals against decisions for planning permit applications.
- ▶ Commencing new Section 173 Agreements in collaboration with Council's Solicitors and to comply with planning permit conditions, at the cost of planning permit holders.
- ▶ Assessing applications to vary, amend or end Section 173 Agreements, and to provide consent for plans in accordance with agreements.

- ▶ Assessing and approving subdivisions for Certification and Statement of Compliance, after planning permits have been granted, through the SPEAR (Surveying and Planning through Electronic Applications and Referrals) Portal for completion of new subdivision developments and associated infrastructure.
- ▶ Providing information to customers for general enquiries relating to future potential planning permit applications over the phone, via email and by formal written planning advice.

The unit is very active in the customer service space, providing information and advice to customers, usually in an informal way in the first instance, to ensure their understanding of the often complex processes and requirements. This method of advice prior to applications provides higher quality applications with fewer time delays and a more satisfactory process for customers and the planning team.

Our planning team has very regimented processes and procedures for the assessment of planning permit and development plan applications which involved initial assessment to determine all sufficient information has been provided, referring the application to relevant referral authorities in accordance with the requirements of the Mansfield Planning Scheme and *Planning & Environment Act 1987*. The Planning Scheme and Act also provides for public notice of applications (excluding Vic Smart applications) to adjoining, nearby or other parties who might be materially affected by a proposal. The process for public notice can involve sending letters, placing a sign on the subject land and/or by notice in the local newspaper. Also, all applications advertised through the public notice process are placed on the Planning Application Customer Portal, through Councils Website for interested people to view the application documents.

The *Planning & Environment Act 1987* requires that any application advertised through the public notice process must not be decided on within two (2) weeks of the initial advertising date. Due to delays with post and the many of the Mansfield Shire landowners being non-residents our Planning Team always allow a minimum of three (3) weeks for the advertising process. In consultation with the Executive and Councillors, the Planning Team have developed Guidelines to determine when an application should be advertised in the local newspaper. The Guidelines specify that the following application types should be considered for a minimum of one weeks' notice in the local newspaper:

- ▶ Extractive Industries (including Stone Extraction)
- ▶ Convenience Restaurants and/or applications with a drive through facility
- ▶ Service Stations
- ▶ Developments with an estimated cost over \$3 million
- ▶ Applications in the Significant Landscape Overlay – *Alpine Approach Significant Landscape Area* (except Single Dwellings)
- ▶ Development Plan applications

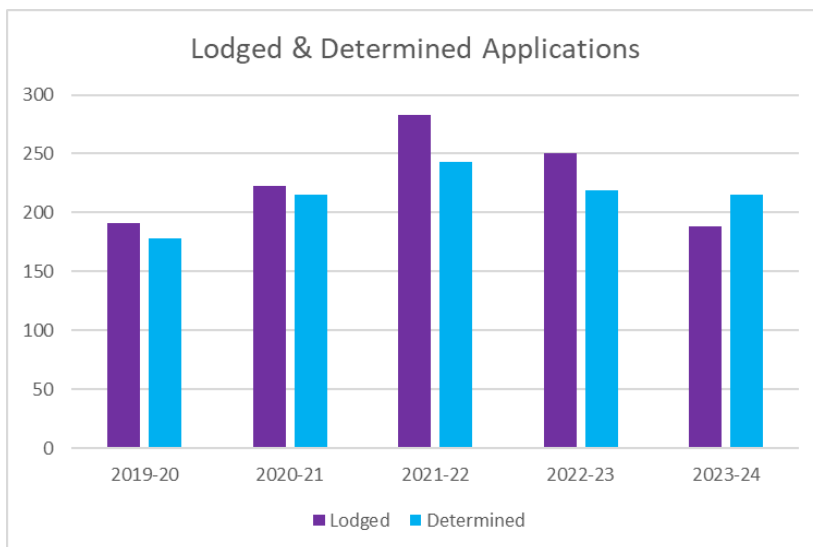
Where objections are received in relation to planning permit or development plan applications, Council Officers will work with the permit applicant to consider and respond to the concerns. Where an initial response and/or amended plans do not satisfy the concerns, the team hosts a consultative (mediation) meeting with the permit applicant and any objector party who wishes to attend. During these meetings, Council Officers explain the planning process and potential outcomes, including whether there will need to be a Council determination at a Council Meeting and what rights of appeal are available through VCAT. Each party is then offered an opportunity

to go through their concerns and ask questions, which could be responded to by Officers or the permit applicant. The meetings often result in negotiations for a better planning outcome with some objections being withdrawn. Even if all objections cannot be satisfied, these meetings assist in ensuring that all parties have a clear understanding about what the application is for, and the process that has been followed.

The final process for planning permit applications is for Officers to undertake a detailed assessment against the relevant Clauses of the Mansfield Planning Scheme, before making a recommendation. Under the *Statutory Planning Applications – Referral to Council Policy*, see attached, an application will either be determined under delegation by the Senior Planner and Coordinator, or be presented to a Council Meeting with an Officer Recommendation, for determination.

The process of planning permit applications is mandated by the statutory timeframes which provide that normal planning permit applications should be determined within 60-days and Vic Smart applications within 10-business days. The Planning Team manages their applications with additional check points, including initial assessments within 14 days of receipt of application for planning permit applications and undertaking any required referrals and advertising concurrently.

The overall timeframe for determining applications for the 2023/24 Financial Year was an average of 34.6 days, compared to 73.5 days in the 2022/23 Financial Year. This improvement is also related to the number of applications received and determined, which has seen a change in trends. From 2019/20 Financial Year to 2022/23 there has constantly been more applications received than determined, which has led to an increasing number of applications open at any given time, as is shown in the table below. Since July 2023, the number of applications received has decreased, which has enabled the team to significantly reduce the number of open applications and determine more applications than was received. Overall, for 2023/24 188 applications were received and 215 were determined.



Previously, VCAT Appeals have been led by Solicitors on behalf of Council. However, during 2023/24 and going into 2024/25 these processes have been managed internally by Council’s Planning officers. The Coordinator Statutory Planning and Senior Planner have been taking the lead with appeals, managing the formal submissions and hearings both in-person and online. While this does increase their workloads periodically, it is a substantial cost saving to Council

and provides excellent learning opportunities for the entire Planning Team to be actively involved in the proceedings.

During the 2023/24 Financial Year Council participated in two appeals, the first being for the reduction in width of a Carriageway Easement, with the council decision overturned through an Objector Appeal at VCAT. The proceedings involved detailed scrutiny over the impact to affected residents and it was determined by VCAT that the reduction in the width of the Easement would not provide an outcome that would advantage all beneficiaries of the Easement. The permit applicant was not willing to vary the width of the easement reduction they were requesting, which unfortunately resulted in the decision being overturned.

The second appeal was a joint application for an Enforcement Order and appeal of a Council decision to Refuse to Grant an Amendment to an existing permit for a Commercial Laundry. VCAT considered the impacts from the outstanding and ongoing non-compliance and the application to amend the existing permit to legalise all of the non-compliant buildings and works. Councils' decision to Refuse to Grant an Amended Permit was upheld and VCAT also issued an Enforcement Order for all non-compliant structures to be removed, in accordance with Councils application.

During 2023/24 Council issued 17 decisions with outstanding objections or where Council determined to refuse the application, requiring a Notice of Decision to be issued (less than 8% of all applications). The process of issuing a Notice of Decision allows Objectors 28-days, and permits applicants 60-days, to appeal Councils decision to VCAT. Of the 17 decisions, two (2) appeals (equating to 1% of permits determined) have been lodged and the applications will be heard at VCAT during August and September 2024; Council will be represented by Council officers. A third appeal has been lodged, this one by a permit applicant for a Failure to Determine, this type of application is available to permit applicants when Council does not determine an application within the statutory timeframes. The delays in a decision on this permit were predominantly due to Council officers working with the permit applicant to try and address the objections, but the permit applicant decided to go to VCAT rather than continue that process. The appeal will be heard during August 2024.

Strategic Planning

The work undertaken by the unit in relation to Strategic Planning includes:

- ▶ Creating strategy documents for future development in the Mansfield Shire, including Township Structure Plans, Locality Plans, and general plans.
- ▶ Collaborating and engaging with the local community and key stakeholders to ensure the visions and plans represent the relevant people and are compliant with other legislation.
- ▶ Implementing strategy documents through amendments to the Mansfield Planning Scheme.

The Strategic Planning projects are much longer-term than the work being completed by the Statutory Planning area and require engagement with the community in a different format. There are a number of existing Planning Strategy documents already endorsed by Council over the past few years that include specific actions and require implementation. Part of the Strategic Planning program involves reviewing previously approved documents to determine future actions and further studies required. The first part of the strategic planning process is to develop a strategic plan about a particular matter.

Once a strategic plan is approved by Council, the Planning Team can commence the process to implement the recommendations through Planning Scheme Amendments. The Planning Scheme Amendment process is regulated by the *Planning & Environment Act 1987* and requires Council adoption and authorisation for Exhibition prior to formal engagement. If the engagement results in submissions being made, there are processes available to make relevant changes or have the matter heard at a Planning Panel. Officers consult with anyone who makes a submission to resolve their concerns. An amendment can then be submitted to the Department of Transport and Planning through the Amendment Tracking System to follow a formal approval process before being gazetted and implementing the changes into the Planning Scheme.

When these plans are implemented into the Mansfield Planning Scheme, they are then able to be used to form part of the basis for decision making that is undertaken by the statutory planning team. The Strategic Planners work closely with the Statutory Planners when undertaking Planning Scheme Amendments to ensure the proposed policies would be correctly interpreted and understood by the general public. It is important our Planning Scheme reflects the vision and qualities of the community and Mansfield Shire area.

Mansfield Shire Council has had an active strategic planning program over the current Council term, with the following work and status detailed below:

Strategic Plan Status Update:

Plan	Officer Comments	Current Status of plan
Commercial and Industrial Land Use Strategy	Amendment C51 implements this strategy	Complete – Adopted by Council June 2021
Mansfield Planning Strategy	Amendment C60 implements this strategy	Complete – Adopted by Council May 2022
Mansfield Open Space Strategy	Amendment C57 implements this strategy	Complete – Adopted by Council February 2023
Bonnie Doon Plan	Amendment C61 implements this plan	Complete – Adopted by Council March 2023
Merton Plan	An amendment will need to be undertaken to implement this plan	Complete – Adopted by Council May 2023
Infrastructure Plan	Draft plan to be provided to Council September/October 2024	In progress. To go on exhibition after caretaker period.
Mansfield Flood Study	Report due to be completed March 2025	In progress. Will go on exhibition after plan has been received.
Goughs Bay Plan	Initial community engagement complete, and Council officers preparing draft plan for exhibition	In progress. To go on exhibition when the draft plan is complete.
Delatite Valley Plan	Initial community engagement underway	In progress. Initial comments will be assessed and the first draft of the plan to be prepared by Council officers.

Plan	Officer Comments	Current Status of plan
Botanic Park Masterplan	Being used to inform development in Botanic Park	Complete – Adopted by Council October 2023
Station Precinct Masterplan Review	Being to inform development of the Station Precinct	Complete – Adopted by Council October 2023
Mansfield Planning Scheme Review	Amendment C57 implements this review	Complete – Adopted by Council November 2022
Goughs Bay Water Sensitive Town Plan	Plan currently being drafted.	In progress. Will go on exhibition after the draft plan has been received.

Planning Scheme Amendments:

Ref	What the amendment does:	Current Status:
C43	Correction amendment to remove inconsistencies in local schedules.	Complete – Incorporated into the scheme on 8 July 2021.
C44	Implementation of the Station Precinct Masterplan.	Complete – Incorporated into the scheme on 30 June 2022.
C45	Rezoned land at 57 Stock Route Mansfield from Low Density Residential to General Residential	Complete – Incorporated into the scheme on 14 April 2022.
C46	Applied the Specific Controls Overlay to the land at 128 Ogilvies Road, Mansfield for the Mansfield Autistic Statewide Services.	Complete – Incorporated into the scheme on 8 January 2021.
C47	Update the form and content of the planning scheme in accordance with the requirements of the state government.	Complete – Incorporated into the scheme on 3 March 2021.
C48	Implementation of the Mansfield Township Approaches Planning Controls and Guidelines Study, 2018	Complete - This was split into two parts, with the first part incorporated into the Planning Scheme on, and the second part ultimately abandoned. The second part now forms part of a new amendment.
C49	Rezoned land in New Street, Mansfield from Urban Floodway Zone to General Residential Zone	Complete – Incorporated into the scheme on 31 March 2022.
C50	Removal of redundant Development Plan Overlays from the scheme	Complete – Incorporated into the scheme on 13 May 2022.
C51	Implementation of the Commercial and Industrial Land Use Strategy.	Complete - This was split into two parts, with the first part incorporated into the Planning Scheme on, and the second part ultimately abandoned.
C52	Rezoned land in Mansfield for GVW	Complete – Incorporated into the scheme on 18 November 2022

Ref	What the amendment does:	Current Status:
C54	Rezoned land in Dead Horse Lane from Farming to Neighbourhood Residential.	Complete – Incorporated into the scheme on 2 June 2023
C55	Rezoning land in Redgum Estate from Urban Floodway Zone to General Residential Zone	In progress – Council was required to renotify this amendment by DTP. The amendment has been readopted by Council on 20 August 2024.
C56	Completion of implementation of the Mansfield Township Approaches Planning Controls and Guidelines Study, 2018	In progress – Council officers are finalising the documents to commence exhibition after caretaker.
C57	Implementation of the Planning Scheme Review and the Mansfield Open Space Strategy	In progress – Council officers are working to resolve outstanding submissions to this amendment.
C58	Amended the location of a zone boundary on GVW land in Bonnie Doon.	Complete – Incorporated into the scheme on 17 August 2023.
C59	Removed the Environment Audit Overlay from land in Mansfield.	Complete – Incorporated into the scheme on 1 February 2024.
C60	Implementation of the Mansfield Planning Strategy	In progress – report submitted to Council for resolution to request approval from the Minister for Planning to exhibit the amendment.
C61	Implementation of the Bonnie Doon Plan	In progress – Draft amendment has been prepared. DTP have provided advice on the amendment which will be worked through by Council Officers.
C62	Review of the Environment Significance Overlays	In progress – Draft amendment has been prepared. DTP have provided advice on the amendment which will be worked through by Council Officers.
C63	Rezoning of land at 63-75 Dead Horse land from Farming Zone to Industrial	In progress – Draft amendment has been submitted to DTP for comments.

The Strategic Planning program is reported monthly through the CEO (Chief Executive Officer) Report in the Council Agenda to publicly keep records of the progress made on current projects. The updates in the Report detail Strategic Plans, Planning Scheme Amendments and other Council managed projects being led by other Departments which the Planning Team is involved in, including the Flood Study, Infrastructure Plan, and the Goughs Bay Water Sensitive Town Plan. These additional projects will have implications on the future strategic planning work and will likely require Planning Scheme Amendments to be implemented into policy controls.

Recommendation
THAT THE AUDIT AND RISK COMMITTEE receive and note the presentation on the Statutory and Strategic Planning programs.
Support Attachments
1. Statutory Planning Application Referral to Council Policy [7.5.1 - 5 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Not Applicable

Collaboration

Not Applicable

Financial Impact

All work to write this report has been undertaken internally by Council Officers within existing staff resources. The statutory planning program does attract fees for applications which are used to offset the cost of the service.

The strategic planning program is generally undertaken by internal Council resources. External funding is sourced where possible for strategic plans that require external consultants.

Legal and Risk Implications

Not Applicable

Regional, State and National Plans and Policies

The unit generally works within the following legislation:

- *Planning and Environment Act 1987*
- *Planning and Environment Regulations 2015*
- *Subdivision Act 1988*
- *Victorian Civil and Administrative Tribunal Act 1998*
- *Victorian Civil and Administrative Rules 1998*
- *Local Government Act 2020*
- And associated regulations pertaining to those Acts.

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 2: Vibrant Liveability Strategic Objective 3 Future focused: Intelligent land use and infrastructure

Strategy 3.1 Protect natural vistas and farmlets

Strategy 3.2 Enhance township character

Strategy 3.4 Plan for and encourage appropriate housing

Theme 2: Vibrant Liveability Strategic Objective 5 Prosperous: Industries, businesses and

workforces of the future

Strategy 5.2 Enable land use and base infrastructure that stimulates commercial activity

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 6: Council possesses in-house and outsourced capability to meet community expectations

Strategy 6.1 Use and gain knowledge of our community to make good decisions

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 8 A consultative Council that represents and empowers its community

Strategy 8.1 Increase community trust in Council to make informed decisions with “no surprises”

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

8. Financial and Performance Reporting

Duties and responsibilities of the Committee:

- a. At least annually review significant accounting and external reporting issues, including complex or unusual transactions, transactions and balances in areas where judgement is required, changes to accounting policies, recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the annual financial report and the audit thereof;
- b. At least annually review changes to the Local Government Performance Reporting Framework and understand the impact of those changes on Council's performance indicators;
- c. Review the annual financial report and annual performance statement and consider whether they are complete, consistent with information known to Committee members, reflect appropriate accounting treatments and adequately disclose Council's financial performance and position;
- d. Review with management and the external auditors the results of the audit, including any difficulties encountered by the auditors and how they were resolved;
- e. Recommend the adoption of the annual financial report and annual performance statement to Council; and
- f. Review the appropriateness of the format and content of periodic management financial reports and performance statements to Council as required.

8.1. Investment Schedule

File Number	E5001	Responsible Officer	Financial Controller, Michael McCormack
Purpose			

A report on the status of Council's investments as at 31 July 2024 is presented to the Audit and Risk Committee (ARC) for noting.

Executive Summary

Regular reporting to the ARC in relation to investments is required pursuant to Council's Investment Policy.

Key Issues

The Investment Portfolio is attached for the Committee's information.

Council is currently compliant with its Investment Policy.

The current average interest rate for investments is 5.1% (excluding Cemetery Trust investments). The current average interest rate and the volume of investment for 2023-24 were \$745,831 higher than the 2023-24 Budget.

Program	2023-24 Actual
Interest Income	(1,005,931)
Finance Investments	(872,823)
Rates - Late Payment Interest	(117,379)
Jamieson - Cemetery	(2,017)
Mansfield - Cemetery	(11,819)
Merton - Cemetery	(313)
Bonnie Doon - Cemetery	(1,580)

The 2023-24 budget for interest income is as follows:

Program	2023-24 Budget
Interest Income	(260,100)
Finance Investments	(200,000)
Rates - Late Payment Interest	(55,000)
Jamieson - Cemetery	(2,000)
Mansfield - Cemetery	(1,500)
Merton - Cemetery	(100)
Bonnie Doon - Cemetery	(1,500)

Recommendation

THAT THE AUDIT AND RISK COMMITTEE receive and note the Investment Portfolio Report as at 31 July 2024.

Support Attachments

1. Investment Report Ju L 2024 [8.1.1 - 2 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Not Applicable

Collaboration

Not Applicable

Financial Impact

Excess cash is invested in order to attract greater interest income than that typically achievable through our operating bank account.

Legal and Risk Implications

Council's Investment Policy adheres to the requirements contained within the Local Government Act 2020.

Financial Risk: Regular oversight mitigates the risk of lost income or lost working capital as a result of poor investment management strategies or non-compliance with Council policy.

Regional, State and National Plans and Policies

Not Applicable

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council

Strategic Objective 7, Financial sustainability and value for money

Strategy 7.1, Increase Council's financial resilience by utilising opportunities to derive own source of funding income and optimising costs of delivering services.

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

8.2. Debt Schedule

File Number	E3627	Responsible Officer	Financial Controller, Michael McCormack
Purpose			

A report on the status of Council's loans as at 31 July 2024 is presented to the Audit and Risk Committee (ARC) for noting.

Executive Summary

Borrowing can be an effective way to fund important Council priorities, including capital works investments. When used responsibly, loans help spread the burden of large investments across the generations that will benefit from those investments.

Council loan activities are governed by Council's Borrowing and Debt Management Policy. Regular reporting to the ARC in relation to Council borrowings is considered good governance practice.

Key Issues

The loan portfolio as at 31 July 2024 is presented in the table below:

Loan No.	Lender	Loan Type	Start date	Loan Amount	Loan Balance 31/07/2024	Weighted Average Interest Rate	Maturity Date	Purpose of Loan
15	NAB	Amortising Principal	30/05/2014	\$2,200,000	\$951,002	5.780%	30/05/2029	Family and Children's Centre / Superannuation Liability
16	NAB	Amortising Principal	27/03/2015	\$800,000	\$367,429	4.190%	27/03/2030	Capital Works Program incl. Mansfield Recreation Reserve Redevelopment
17	TCV	Amortising Principal	27/06/2022	\$2,632,000	\$2,198,286	4.655%	27/06/2032	Heavy Vehicle Alternative Route
18	TCV	Amortising Principal	3/04/2023	\$600,000	\$537,743	4.120%	3/04/2033	High Street Car Park
Total				\$6,232,000	\$4,054,460	4.817%		

The total outstanding loan balance at 31 July 2024 of \$4,054,460 is below the Treasury Corporation of Victoria (TCV) 2023-24 annual borrowing limit of \$4,968,000. Refer to the Sustainability Implications consideration below for further detail.

Recommendation

THAT THE AUDIT AND RISK COMMITTEE receive and note the Loan Portfolio report as at 31 July 2024.

Support Attachments

1. TCV Letter Borrowing Limit - Mansfield Shire Council (002) [8.2.1 - 3 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Treasury Corporation of Victoria (TCV) 2023-24 annual borrowing limit effective November 2023 is \$4,968,000 (TCV Borrowing Limit).

This limit represents the total amount that can be financed from TCV (including loans approved under the Community Sports Infrastructure Loan and Community Infrastructure Loan Schemes) or other financial institutions.

The TCV Borrowing Limit is based on a credit assessment of Mansfield Shire Council by the Department of Treasury and Finance. The credit assessment is completed annually based on end of financial year results. The prior year borrowing limit was \$4,910,000.

Community Engagement

Not applicable

Collaboration

Not applicable

Financial Impact

The 2023-24 interest expense budget is \$227,833. Cash interest payments in 2023-24 are \$210,794.

Legal and Risk Implications

Interest rates on the loans are fixed, mitigating Council's financial risk to higher borrowing interest rates.

Regional, State and National Plans and Policies

Not applicable

Innovation and Continuous Improvement

Not applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council

Strategic Objective 7, Financial sustainability and value for money

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report does not have a conflict of interest to declare in this matter, in accordance with the *Local Government Act 2020*.

8.3. Insurance Program 2024-25 Report

File Number	E10150	Responsible Officer	Financial Controller, Michael McCormack
Purpose			

This report provides an overview of Mansfield Shire Council’s insurance program for 2024-25 period.

Executive Summary

Council’s insurance program is coordinated through JLT Public Sector (JLT), a division of Jardine Lloyd Thompson Pty Ltd, which is part of the Marsh Group of Companies. JLT Public Sector has been delivering specialist services to local government authorities since 1972 and arrange several insurance policies on Council’s behalf.

The JMAPP Policy covers Council’s assets including buildings, vehicles, machinery and artworks. MAV Insurance provides Public and Products Liability and Professional Indemnity cover, and Crime Insurances. Final costs for this cover have now been received, with a total increase of \$25,259.29 over the estimated cost provided to Council at the June meeting.

The total premiums for the insurance cover are \$510,964.34 (inc. GST), which is an increase of 8.80% over the 2023-24 cost.

Key Issues

The various policies included in the 2024-25 insurance renewal are detailed in the table below. The policies cover the period commencing 1 July 2024 to 30 June 2025.

The policy costings have increased by 8.80% over the 2023/24 costs, with the Local Government Liability Insurance final cost of cover through MAV Insurance being greater than anticipated, as highlighted (grey) in the table below. All other insurance costs are unchanged from the report provided to the June Council meeting.

Insurance Comparison					
Class	2023/24 Actual Premium	2024/25 Actual Premium as reported to Council on 25 June 2024	2024/25 Final Actual Premium	Year on Year Variance	Year on Year Variance - Percentage
Councillors & Officers	\$17,707.78	\$17,880.35	\$17,880.35	\$172.57	1.0%
Cyber	\$18,387.31	\$19,376.05	\$19,376.05	\$988.74	5.4%
Motor Vehicle	\$41,289.06	\$43,633.35	\$43,633.35	\$2,344.29	5.7%
Personal Accident	\$917.84	\$1,310.10	\$1,310.10	\$392.26	42.7%
Personal Accident - Associated Organisations	\$217.82	\$501.58	\$501.58	\$283.76	130.3%
Community Liability Pack (Public & Liabilities)	\$2,229.75	\$5,348.50	\$5,348.50	\$3,118.75	139.9%

Corporate Travel	\$114.12	\$127.60	\$127.60	\$13.48	11.8%
JMAPP (JLT Discretionary Trust)	\$143,858.20	\$140,502.12	\$140,502.12	-\$3,356.08	-2.3%
Fee	\$25,000.00	\$26,750.00	\$26,750.00	\$1,750.00	7.0%
SUB TOTAL	\$249,721.88	\$255,429.65	\$255,429.65	\$5,707.77	2.3%
Stamp Duty	\$8,894.60			-8,894.60	
Policy Admin Fee	\$1,200.00			-1,200.00	
Policy Admin GST Fee	\$2,620.00			-2,620.00	
GST	\$22,468.19	\$25,542.97	\$25,542.97	\$3,074.78	
TOTAL	\$284,904.67	\$280,972.62	\$280,972.62	-\$3,932.05	-1.4%
Crime	\$3,732.44*	\$4,732.44*	\$3,993.72*	\$261.28*	9.0%
Local Govt Liability Insurance (LMI 000359)	\$180,798.41*	\$200,000.00*	\$225,998.01*	\$45,199.60*	33.6%
TOTAL	\$469,435.52	\$485,705.06	\$510,964.34	\$41,528.82	8.8%

*Figure includes GST

Recommendation
THAT THE AUDIT AND RISK COMMITTEE receive and note the Insurance Program 2024-25 Report.
Support Attachments
Nil

Considerations and Implications of Recommendation

Sustainability Implications

Not applicable

Community Engagement

Not applicable

Collaboration

Not applicable

Financial Impact

The 2024-25 insurance renewal costs were included in the 2024-25 Budget with a budget allocation of \$490,436 (ex GST). In addition to the costs for Council's policies, JLT also charge a fee for service of \$26,750 (ex GST) as shown in the table above.

Legal and Risk Implications

There are no statutory requirements.

Regional, State and National Plans and Policies

Not applicable

Innovation and Continuous Improvement

Not applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council

Strategic Objective 8 A consultative Council that represents and empowers its community

Strategy 8.1 Increase community trust in Council to make informed decisions with “no surprises”

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

9. Internal Control Environment

Duties and responsibilities of the Committee:

- a. Review the adequacy and effectiveness of key policies, systems and controls for providing a sound internal control environment. This should be done on a rotational basis over a three to four year period;
- b. Determine whether systems and controls are reviewed regularly and updated where required;
- c. Monitor significant changes to systems and controls to assess whether those changes significantly impact Council's risk profile;
- d. Ensure that a programme is in place to test compliance with systems and controls;
- e. Assess whether the control environment is consistent with Council's Governance Principles.

9.1. Policy Register Status Update

File Number	E3627	Responsible Officer	Governance and Risk Officer, Chelsea Young
Purpose			

To present the updated Policy Register to the Audit and Risk Committee.

Executive Summary

The Governance & Risk Officer is responsible for maintaining a register of all policies and their review dates. The policies register is attached.

The Governance team aims to advise managers of upcoming revision dates, approximately four months ahead, to allow time to comply with the review process.

Key Issues

The Governance & Risk Officer has reviewed and updated the current register based on feedback obtained from the relevant managers on progress against the review dates.

The Policy Register incorporates comments to accurately reflect the status of each policy. There are 8 policies not reviewed by the due date, down from 9 at the last Audit and Risk Committee (ARC) meeting.

The Risk Management Procedure has been updated following feedback provided by Moh-Lee Ng and the Fraud and Corruption Plan was updated following an action from the May ARC meeting to reference the updated ISO guidelines. Copies are attached for information.

The documents and policies below were endorsed by Council since the May 2024 ARC meeting:

- Community Engagement Policy
- Complaints Policy and Process
- Public Interest Disclosures Policy and Procedure
- Acknowledgement of Traditional Custodians of Land Policy
- Property Leasing and Licensing Policy
- CEO Employment & Remuneration Policy
- Council Expenses Policy
- Volunteer Policy
- Media and Communications Policy
- Equal Opportunity & Human Rights Policy
- Public Transparency Policy

The Special Rates and Charges Policy will be presented to Council with a recommendation for endorsement on 17 September 2024.

Due to the council elections taking place in October 2024 and the election caretaker period from 17 September 2024 – 26 October 2024, it is anticipated that other Council policies due for renewal will be held over for the Audit and Risk Committee meeting following the election.

Recommendation

THAT THE AUDIT AND RISK COMMITTEE note the following:

- Policy Register as of 21 August 2024,
- Updated Risk Management Procedure, and
- Updated Fraud and Corruption Plan.

Support Attachments

1. Policy Register as at 21 August 2024 [9.1.1 - 2 pages]
2. Fraud and Corruption Control Plan 2024 [9.1.2 - 24 pages]
3. Risk Management Procedure 2024 [9.1.3 - 9 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Community engagement is undertaken over specific policies as required.

Collaboration

Not Applicable

Financial Impact

All work to review and update policies has been undertaken internally by Council Officers within existing staff resources.

Legal and Risk Implications

A robust review and policy management process minimises the risk of out-of-date policies and non-compliance with policies.

Regional, State and National Plans and Policies

Not Applicable

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 8 A consultative Council that represents and empowers its community

Strategy 8.1 Increase community trust in Council to make informed decisions with “no surprises”

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

10. Risk Management

Duties and responsibilities of the Committee:

- a. Review annually the effectiveness of Council's risk management framework;
- b. Review Council's risk appetite statement and the degree of alignment with Council's risk profile;
- c. Review Council's risk profile and the changes occurring in the profile from meeting to meeting;
- d. Review Council's treatment plans for significant risks, including the timeliness of mitigating actions and progress against those plans;
- e. Review the insurance programme annually prior to renewal; and
- f. Review the approach to business continuity planning arrangements, including whether business continuity and disaster recovery plans have been regularly updated and tested.

10.1. Occupational Health and Safety Management Report

File Number	E10666 (2023) E11408 (2024)	Responsible Officer	Occupational Health and Safety Officer, Richard Howie
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Purpose

This report provides an update on Mansfield Shire Council’s Occupational Health and Safety Management System for the reporting period May – July 2024.

Executive Summary

Council’s Occupational Health and Safety Officer continues to maintain Council’s Occupational Health and Safety (OHS) management system including an OHS Incident Register, OHS Risk Register, Workplace Inspections, Hazard Identification, Risk Assessments, and the Investigation of Incidents.

The OHS Officer works in consultation with Council’s Health and Safety Representatives, and in accordance with the Occupational Health and Safety Act 2004 and the Occupational Health and Safety Regulations 2017.

This report has been developed to provide the Audit and Risk Committee with an overview of the Council’s Occupational Health and Safety performance for the previous quarter.

Key Issues

On review of all incidents received and recorded during the reporting period, slips, trips and falls by members of the public on Council property and by Council staff were identified as being the most common cause of injury. Psychosocial incidents were also reported and managed with confrontations with community members or between staff being reported as a cause of this type of incident.

Two injuries resulted in lost time totaling 11.5 workdays. These included lost time due to a Mental Health incident experienced by a member of the Revenue team (1.5 days) and an employee who suffered bruising and ligament damage to her foot after a table fell onto it (10 days).

WorkSafe Victoria

Legislation Update

There have been no amendments to the Occupational Health and Safety Act 2004 since October 2022.

WorkSafe Visit

No WorkSafe Inspections have been conducted and no Prohibition or Improvement Notices were issued.

WorkCover

The Victorian Work Cover Authority has increased the workplace industry classification rate from 2.23% in 2023-24 to 2.35% in 2024-25. Mansfield Shire's Employer Performance Rating also increased from 0.89% in 2023-24 to 1.14% in 2024-25. The rateable remuneration for 2023-24 was \$11.7m, however is \$12.3m for 2024-25. This figure also includes Councillors, who were not previously included and on advice, need to be included.

The Work Cover premium for Mansfield Shire has therefore increased to \$301,661.45 (ex GST) for 2024-25 from \$205,531.70 (ex GST) paid in 2023-24. A discount of 5% was provided for payment in full by 19 August 2024 rather than in monthly instalments. The stated premium figure includes the 5% discount and was approved for payment by Council at the additional meeting on 6 August 2024.

One Workers' Injury Claim remains open and is being managed with no lost work time. This claim was received in 2024 and will impact premiums from 2023-24 until 2026-27.

WorkCover Expert – Safescope

Safescope, a workers compensation expert, were appointed in 2023-24 to provide expert advice and assistance in managing Council's current workers compensation program. Safescope have been reappointed at a flat fee of \$16,000 for 2024-25, due to the workload and complexity associated with managing some of the claims. This advice has assisted Council officers with resolution of several claims; however, it is anticipated that this support will not be required in 2025-26.

WorkSafe Articles

- 28 articles from WorkSafe Victoria were issued for this period.
- 13 articles from Safe Work Australia were issued for the period.
- Articles of significance to council employees are distributed to work teams for information.

Incidents

Incident Summary

14 incident reports were received and recorded during May – July 2024.

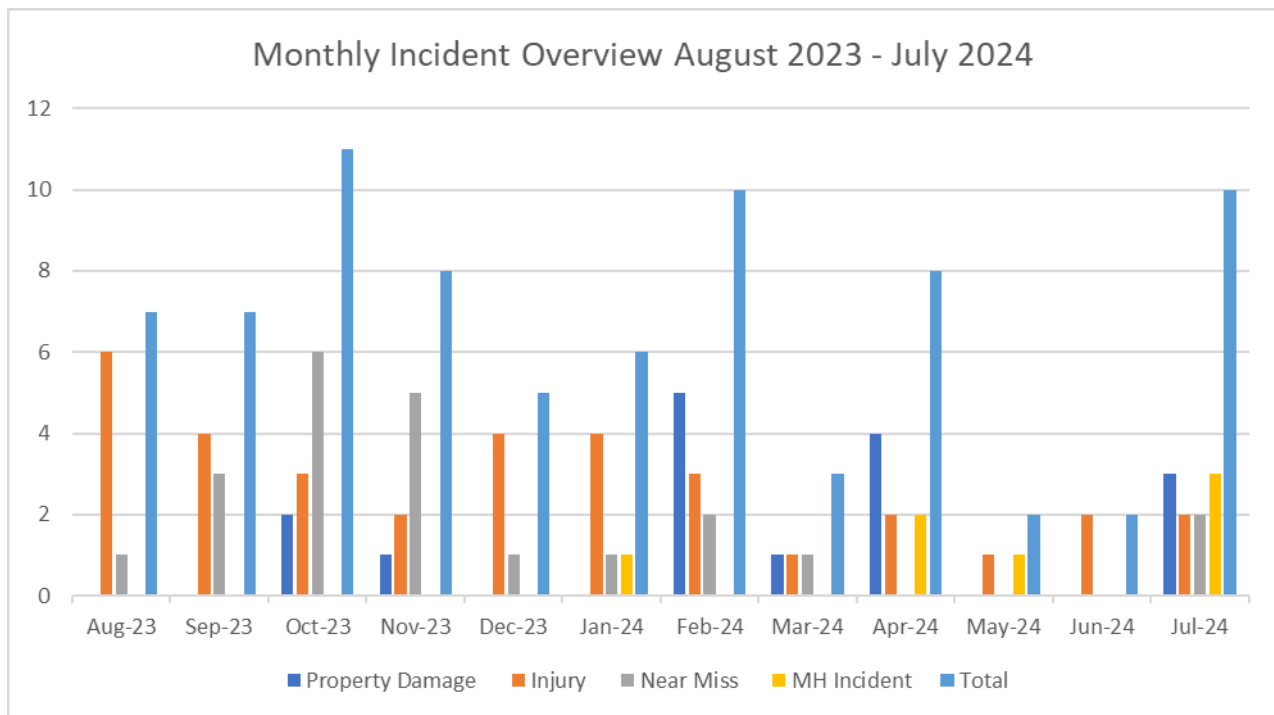
- Three incidents resulted in property damage
- Five incidents resulted in injury
- Two incidents were near miss incidents
- Four incidents were reported as psychosocial (Mental Health) incidents, which were investigated and recorded internally

Incident Investigation

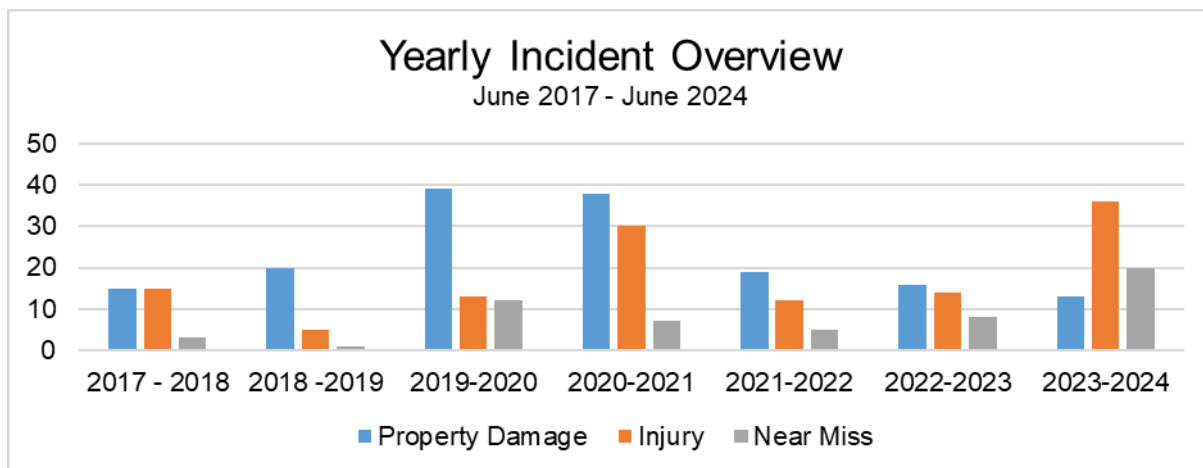
Three incident investigations were undertaken, including an injury to a public member whose leg slipped between the netball court fence and retaining wall at the Mansfield Recreation Reserve. The other incidents investigated involved an employee who was subject to inappropriate verbal abuse by a member of the public and an incident where a table landed on the foot of an employee while it was being moved in the Library.

Annual Incident Overview

The graph below depicts the breakdown of incidents reported including near misses, injuries, mental health incidents and property damage per month over the last 12 months.



The below graph illustrates the total number of incidents by type per year from 2017 – 2018 FY.



Workplace Inspections

OHS workplace inspections were undertaken in the Municipal office. Annual inspections were conducted by Border Lifting of all council facilities lifting and roof supports.

Risk Assessment

1 Risk Assessment was completed: Assessment of loading ramps and method of loading mowers onto the truck by the gardening team.

Hazard and Risks

2 hazards were raised. No hazard remains open.

Training and Induction

OHS Induction

Council’s Occupational Health and Safety inductions continue to be undertaken for all staff commencing in a position at Council. 14 inductions were undertaken during the reporting period.

Training

- 20 Depot staff undertook First Aid training during June
- 15 Depot and MRRC staff undertook Wheeled Loader and Backhoe Training
- 16 Depot staff undertook an Assetic Maintenance Workshop
- 1 member of the gardening team participated in Health and Safety Representative (HSR) training conducted by the Australian Services Union

All council staff were offered an information session by Employee Assistance Program – Psychologists and Counsellors with 20 staff attending.

Occupational Health and Safety Committee

An Occupational Health and Safety Committee Meeting was held on 1 August 2024. The next Occupational Health and Safety Committee Meeting is scheduled for 7 November 2024 in the Council Chambers.

Internal Reports / Documents

Updates were made to the Council’s Occupational Health and Safety Management System and OHS policy documents:

- ▶ Occupational Health and Safety Committee Meeting Minutes – August 2024
- ▶ Incident Notification and Investigation Procedure
- ▶ OHS Training and Induction procedure
- ▶ Health and Wellness procedure
- ▶ Business Continuity Plan
- ▶ OHS Annual Report Document completed

COVID-19 / Influenza

Hand sanitiser and alcohol wipes continue to be distributed.

Recommendation
THAT THE AUDIT AND RISK COMMITTEE receive this report.
Support Attachments
Nil

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Not Applicable

Collaboration

Not Applicable

Financial Impact

Not Applicable

Legal and Risk Implications

Not applicable

Regional, State and National Plans and Policies

Not Applicable

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 2: Vibrant Livability

Strategic Objective 5: Prosperous Industries, businesses, and workforces of the future

Strategy 5.3 Our organisation transparently reports on its performance through a comprehensive reporting and audit framework.

Strategy 5.5 We have a strong framework in place to proactively mitigate risk.

Theme 3: Trusted, Effective and Efficient Council

Strategic Objective 6: Council possesses in-house and outsourced capability to meet community expectations.

Strategy 6.1 Use and gain knowledge of our community to make good decisions.

Strategy 6.2 Building organisational capacity through its people.

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

10.2. Risk Management Report

File Number	E3937	Responsible Officer	Governance and Risk Officer, Chelsea Young
Purpose			

The purpose of this report is to provide the Audit and Risk Committee with an update on Council's Risk Register and any other areas of interest.

Executive Summary

The Audit and Risk Committee oversees the risk exposure of Council by advising management on appropriate risk management processes and adequate risk management systems to assure alignment of the Risk Management Framework with ISO 31000. ISO 31000 (2018) are best practice principles and guidelines.

Mansfield Shire Council's Risk Management Strategy states that the Council is committed to the process of identifying, quantifying, and managing risk to minimise the effect of risk on the objectives of Council.

Key Issues

A quarterly review of the Risk Register has been completed and a copy as of August 2024 is attached to this report.

Since the last Risk Register update to the Committee, no additional risks have been identified, but updates to risk mitigation actions were included.

Recommendation

THAT THE AUDIT AND RISK COMMITTEE note the information contained in the updated Risk Register.

Support Attachments

1. Corporate Risk Register (August 2024) [10.2.1 - 6 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Not Applicable

Collaboration

Not Applicable

Financial Impact

Individual assessments may have cost implications to address each risk.

Legal and Risk Implications

The Risk Management Framework is Council's overarching control that covers:

1. Asset Risk
2. Business Continuity Risk
3. Change Risk
4. Environmental Risk
5. Financial Risk
6. Information Risk
7. People Risk
8. Regulatory Risk
9. Reputation Risk
10. Safety Risk
11. Social Risk
12. Strategic Risk

Regional, State and National Plans and Policies

The Risk Management Framework is in line with National and International standards and legislative requirements.

It is also in line with the Mansfield Shire Council Risk Management Policy.

Innovation and Continuous Improvement

Quarterly review and reporting to the Audit and Risk Committee incorporates continuous innovation and improvement initiatives in the Risk Management area.

Alignment to Council Plan

Theme 1: Connected and Healthy Community

Strategic Objective 1: The health and wellbeing of families and communities is maximised

Strategy 1.1 Embed health and wellbeing enablers and protections to reduce risks to our communities.

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 8 A consultative

Council that represents and empowers its community

Strategy 8.1 Increase community trust in Council to make informed decisions with "no surprises"

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

11. Internal Audit

Duties and responsibilities of the Committee:

- a. Review the Internal Audit Charter regularly to determine that it provides an appropriate functional and organisational framework to enable Council's internal audit function to operate effectively and without limitations;
- b. Review and approve the three year strategic internal audit plan, the annual internal audit plan and any significant changes to them;
- c. Review progress on delivery of annual internal audit plan;
- d. Review and approve proposed scopes for each review in the annual internal audit plan;
- e. Review reports on internal audit reviews, including recommendations for improvement arising from those reviews;
- f. Meet with the leader of the internal audit function at least annually in the absence of management;
- g. Monitor action by management on internal audit findings and recommendations;
- h. Review the effectiveness of the internal audit function and ensure that it has appropriate authority within Council and has no unjustified limitations on its work;
- i. Ensure that the Committee is aware of and appropriately represented with regard to any proposed changes to the appointment of the internal audit service provider, including being appropriately briefed on the need for any proposed change;
- j. Recommend to Council, if necessary, the termination of the internal audit contractor.

11.1. Internal Audit

File Number	CM1819.030	Responsible Officer	Financial Controller, Michael McCormack
Purpose			

This report provides a status update on Council’s Internal Audit program and presents the following documents:

- Internal Audit Planning Document – Risk Assessment and Strategic Internal Audit Program Development
- Completed Internal Audit Report Past Issues Review
- Strategic Internal Audit Program Status Update August 2024
- Industry Update August 2024.

Executive Summary

Council's Risk Management Strategy requires the management of risk in accordance with best practice and compliance with Standard AS/NZS 31000 2009. Under the Standard, a risk management process follows a systematic application of policy, procedures, and practices to the tasks of context identification, analysis, evaluation, treatment, monitoring, and communication. The internal audit process is an essential tool in this process.

Key Issues

Refer to the Internal Audit Program Status and Industry update reports provided by AFS & Associates, Council’s Internal Audit providers. AFS were re-appointed to deliver Council’s Internal Audit services for the period commencing 1 July 2024 to 30 June 2027, with an option for a 2-year extension.

An Internal Audit Planning Document: Risk Assessment and Strategic Internal Audit Program Development, has been prepared by AFS and is attached to this paper.

For 2023-24, AFS have issued a Final Past Issues Review report (attached).

The following reviews were undertaken in the fourth quarter of 2023-24. It is anticipated that the AFS reports will be finalised and presented at the December Audit and Risk Committee Meeting:

- Human Resources Management (incl. Gender Equality)
- Occupational Health, Safety & Wellbeing Risk Assessment

Recommendation

THAT THE AUDIT AND RISK COMMITTEE receives and notes the following:

- Internal Audit Planning Document – Risk Assessment and Strategic Internal Audit Program Development,
- Completed Internal Audit Report Past Issues Review,
- Strategic Internal Audit Program Status Update August 2024, and
- Industry Update August 2024.

Support Attachments

1. Internal Audit Planning Document - 2024 Risk Assessment & Strategic Internal Audit Program [11.1.1 - 7 pages]
2. Internal Audit Report - Past Issues Review June 2024 FINAL [11.1.2 - 8 pages]
3. Strategic Internal Audit Program Status Update - August 2024 [11.1.3 - 5 pages]
4. Industry Update - August 2024 [11.1.4 - 7 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Not Applicable

Collaboration

Not Applicable

Financial Impact

The Internal Audit Program is included in Council's annual budget.

Legal and Risk Implications

Not Applicable.

Regional, State and National Plans and Policies

Not Applicable

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 6: Council possesses in-house and outsourced capability to meet community expectations

Strategy 6.1 Use and gain knowledge of our community to make good decisions

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

12. External Audit

Duties and responsibilities of the Committee:

- a. Annually review and approve the external audit scope and plan proposed by the external auditor;
- b. Discuss with the external auditor any audit issues encountered in the normal course of audit work, including any restriction on scope of work or access to information;
- c. Ensure that significant findings and recommendations made by the external auditor, and management's responses to them, are appropriate and are acted upon in a timely manner;
- d. Review the effectiveness of the external audit function and ensure that the Victorian Auditor General's Office (VAGO) is aware of the Committee's views;
- e. Consider the findings and recommendations of any relevant performance audits undertaken by VAGO and monitor Council's responses to them; and
- f. Meet with the external auditor at least annually in the absence of management.

12.1. VAGO Reports

File Number	E10841	Responsible Officer	Financial Controller, Michael McCormack
Purpose			

VAGO has provided Council’s Interim Management Letter for the year ending 30 June 2024 and their status report for consideration and noting.

Executive Summary

VAGO have provided the following:

- Mansfield Shire Council Interim Management Letter for the year ending 30 June 2024
- Status Report for July 2024

Key Issues

Mansfield Shire Council Interim Management Letter for the year ending 30 June 2024

VAGO’s interim management letter provides a summary of audit findings from the interim phase of their audit. It also includes 4 recommendations accepted by management from their Results of 2022-23 Audits: Local Government report which was tabled in Parliament on 7 March 2024.

Recommendations accepted fall under the following report’s findings:

- Annual financial reporting process
- Asset valuations – Finance team briefing
- Asset valuations - Audit and Risk Committee oversight
- Open internal control weakness and financial reporting issues

VAGO Status Report for July 2024

The July 2024 VAGO Local Government Update is attached for reference.

Recommendation

THAT THE AUDIT AND RISK COMMITTEE note the VAGO Interim Management Letter for the year ending 30 June 2024 and Status Report for July 2024.

Support Attachments

1. Mansfield - Interim Management Letter 2023-24 [12.1.1 - 23 pages]
2. VAGO - LG status report - July 2024 [12.1.2 - 20 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Not Applicable

Collaboration

Not Applicable

Financial Impact

Not Applicable

Legal and Risk Implications

Not Applicable.

Regional, State and National Plans and Policies

Not Applicable

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 6: Council possesses in-house and outsourced capability to meet community expectations

Strategy 6.1 Use and gain knowledge of our community to make good decisions

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

13. Compliance Management

Duties and responsibilities of the Committee:

- a) Review the systems and processes implemented by Council for monitoring compliance with relevant legislation and regulations and the results of management's follow up of any instances of non-compliance;
- b) Review the processes for communicating Council's Employee Code of Conduct to employees and contractors and for monitoring compliance with the Code;
- c) Obtain briefings on any significant compliance matters; and
- d) Receive reports from management on the findings of any examinations by regulatory or integrity agencies (whether related to investigations at Council or other agencies), such as the Ombudsman, IBAC, Victoria Government Inspectorate, etc. and monitor Council's responses.

13.1. Procurement Exemptions

File Number	E5332	Responsible Officer	Procurement Officer, Kathy Stone
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Purpose

To provide details of any Procedural Exemptions that have occurred between 1 April 2024 – 30 June 2024.

Executive Summary

Council’s Procurement Policy provides specific circumstances under which exceptions to the policy are allowable.

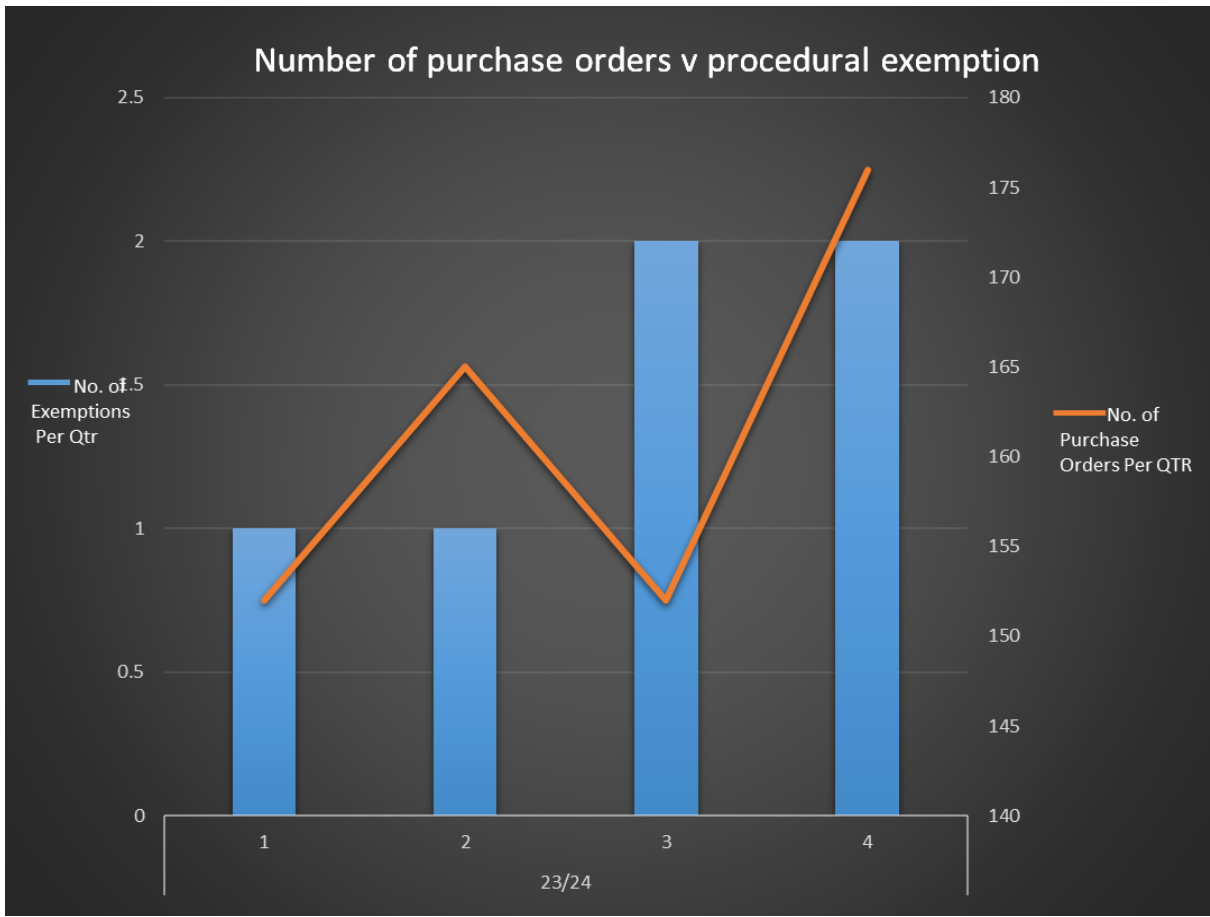
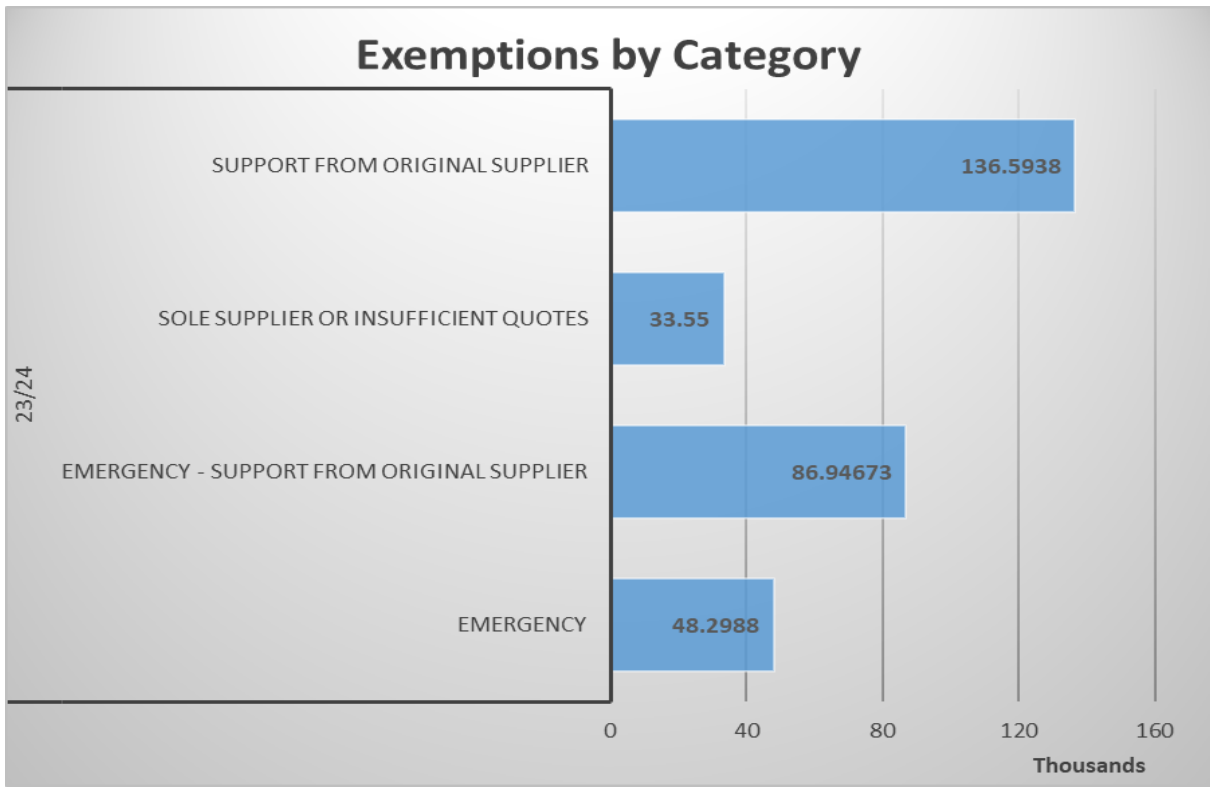
There may be, from time to time, exceptional circumstances that arise where the provisions of the Procurement Policy cannot be satisfied. Section 4.2 of the procedures attached to the Policy provides a list of these circumstances where approval from the CEO is required prior to proceeding with the purchase.

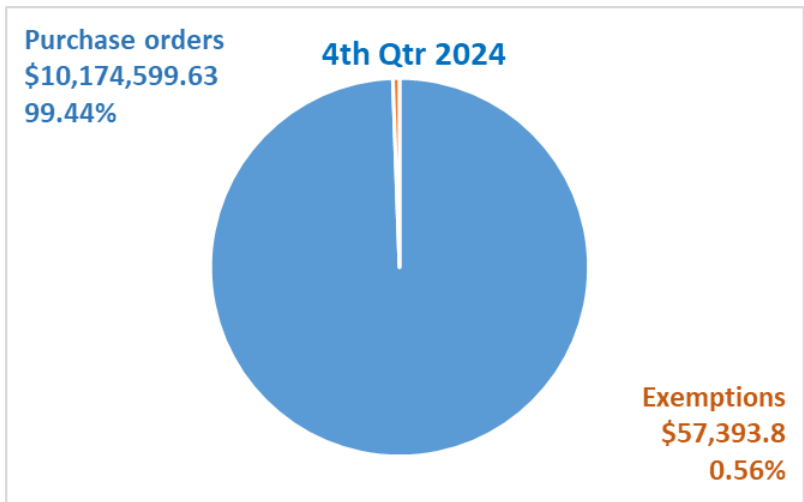
Thorough documentation and evidence must accompany any request to utilise this provision to clearly demonstrate a procedural exemption exists.

Key Issues

There were two procedural exemptions authorised by the CEO in the fourth quarter of 2023-24. The procedural exemptions approved by the CEO are attached for the Committee’s information. The number of procedural exemptions for the last quarter is two, or .56% of the total purchase order value.

Item	Date	Exemption Category	Value	Department
Rifle Butts Road Native Vegetation and Ecology Impact Assessment	04/04/2024	Support From Original Supplier	\$ 27,707.00	Major Projects
Public Bin Upgrade Project 2023-2026	19/06/2024	Support From Original Supplier	\$ 29,686.80	Waste





Recommendation

THAT THE AUDIT AND RISK COMMITTEE notes that two Procedural Exemptions were authorised by the Chief Executive Officer between 1 April 2024 – 30 June 2024.

Support Attachments

1. Procedural-exemption-form - RBR Nat Veg Ecology Impact Assess't ver 2 [13.1.1 - 2 pages]
2. E 11617 - procedural-exemption-form [13.1.2 - 2 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

Not Applicable

Collaboration

Not Applicable

Financial Impact

Exemptions to the general requirements of Council’s Procurement Policy may lead to additional costs to Council as they typically revolve around removing the competition requirements of the policy. However, the procedural exemptions process aims to mitigate this risk and minimise the number of purchases exempt from the policy.

Legal and Risk Implications

The procedural exemptions process allows for a controlled variation to standard procurement requirements. Only two Procedural Exemptions were required during this quarter.

Regional, State and National Plans and Policies

Not Applicable

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council

Strategic Objective 7 Financial sustainability and value for money

Strategy 7.1 Increase Council's financial resilience by utilising opportunities to derive own-source of funding income and optimising costs of delivering services

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 8 A consultative Council that represents and empowers its community

Strategy 8.1 Increase community trust in Council to make informed decisions with "no surprises"

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

14. Other Business

Peter Johnson second term expires November 2024

15. Next Meeting

The next meeting of the Audit and Risk Advisory Committee will be held on Monday 30 September 2024 at 3.00pm to consider the Annual Financial & Performance Statements, Governance and Management Checklist, and any other items deemed necessary.

16. Close of meeting