

HINDMARSH SHIRE COUNCIL

AUDIT AND RISK COMMITTEE CHAIR'S REPORT: August 2024

PURPOSE

To advise Councillors and the Chief Executive Officer at Hindmarsh Shire Council of the activities of the Audit and Risk Committee from October 2023, and meet legislative requirements under the Act.

INTRODUCTION

The Hindmarsh Shire Council Audit and Risk Committee Charter provides that the Chair will prepare a biannual audit and risk report. The Charter also provides that this report will be tabled at the next Council meeting by the Chief Executive Officer and that the Chair may present the report to Councillors at that meeting if desired. The activities and recommendations of the committee are described in the minutes of each meeting, and these are tabled at council meetings.

The Audit and Risk Committee is established in accordance with s53 and 54 of the Local Government Act 2020. The committee is an independent advisory committee and assists to strengthen Council to ensure Council's commitment to good governance, public transparency, and accountability.

AUDIT AND RISK COMMITTEE CHARTER

The Charter outlines the Scope of Authority, Composition and Responsibilities of the Committee. The Charter was last reviewed in 2020.

COMMITTEE MEMBERSHIP

There are six members – two councillors and four external, independent members. The committee was established by Council resolution on 15 July 2020 for the term up until 1 November 2024.

The four independent members are:

Ashley Roberts (Chair), Darren Welsh, Simon Coutts and Adrian Cordy.

Cr Debra Nelson has been a councillor member of the committee for the entirety of the reporting period, with Cr Brett Ireland being a member for the March 2024 meeting, being replaced by Cr Melanie Albrecht from the June 2024 meeting.

The Committee has met twice during this period, on 13 March, and 12 June, which included the draft budget papers, and is scheduled to meet again on 18 September, which will include review and certification of the annual accounts.

AUDIT FUNCTIONS

The Committee continues to assist the Council in addressing financial, strategic, and operational risks and ensuring that the Council maintains a reliable system of internal controls.

GOVERNANCE

To ensure accountability, compliance, and transparency, in addition to this biannual report, the minutes of each Committee meeting are presented to the next available Ordinary Council meeting.

EXTERNAL AUDITORS

In accordance with the Local Government Act, the Victorian Auditor General (VAGO) appoints Council's Auditor. Crowe Australasia have been appointed by VAGO to audit Council, with Mr Martin

Thompson as the designated audit partner for the March 2024 meeting, being replaced by Mr Tim Fairclough from June 2024.

BUDGET MEETING

The Audit and Risk Committee met on 12 June 2024 to consider the 2024/25 Budget and associated Asset and Financial Plans, and Action Plans. The Committee endorsed the draft budget and commended the work of staff in preparing the budget.

HINDMARSH SHIRE ANNUAL ACCOUNTS

The Audit and Risk Committee is scheduled to meet on 18 September to review the Annual Financial Statements, and Performance Statement. This meeting will be attended by representative of the VAGO agent (Crowe Australasia) to discuss any findings and recommendations that may arise from the audit.

INTERNAL AUDITORS

Hindmarsh Shire Council continues to engage RSD Audit Bendigo as its Internal Auditors. The Committee receives a regular Internal Audit Committee Update Report which provides not only a progress report on the Hindmarsh internal audit program but also a very useful summary of recent reports from public bodies.

The Audit Program is regularly reviewed to ensure that it remains current to the needs of the Council.

Over the period from October 2023 to August 2024 the following internal audits were delivered and reviewed by the committee:

- Environmental Health

An audit into Payroll Procedures is due to be presented at the September 2024 meeting, with an audit into Depot Management due to be completed this year also.

The Committee continues to monitor progress regarding recommendations from these and previous audits.

MANAGEMENT REPORTS

In addition to the External and Internal audit functions of the Committee, to meet its advisory functions, the Committee also receives regular management reports at each meeting which included the following at the September meeting:

- A Strategic Risk report, including:
 - Strategic Risk Register and treatments
 - Strategic Risk Management Work Plan
 - Draft Business Continuity Plan
 - Technology Risk
- Quarterly Finance Report – outlining the progressive YTD financial performance of Council and any variances to budget.
- Governance Compliance – outlining progress against legislative compliance required under the Local Government Act 2020.
- Incident and Hazard Report – outlining incidents, Hazards and near misses

- Rural Councils Transformation Program – an update on the implementation of the Rural Councils Transformation Program
- Reimbursements and Interstate Travel Register – a listing of any reimbursements made to and interstate travel made by Councillors and the Chief Executive Officer – includes the Chief Executive officer Credit Card listing.

AUDIT AND RISK COMMITTEE SELF-ASSESSMENT

At its June 2024 meeting the Committee received the outcomes of its Annual Self-Assessment. This included the compilation of a skills matrix of Committee members as requested from the previous self-assessment.

The general perception was that the committee was despite a turnover of members within the past twelve months performing as anticipated and developing well. Councillor members expressed that they believed the Committee provided valuable feedback and oversight to Council.

The Committee discussed the potential benefits of holding an additional meeting each year, bringing the total meetings to four per annum, requesting an agenda item be provided for discussion of this at the September 2024 meeting.

CONCLUSION

The work of the Audit and Risk Committee in this reporting period has been greatly assisted by the diligence, professionalism and contribution of Councillors and officers.

Ashley Roberts
Chair
Audit and Risk Advisory Committee
Hindmarsh Shire Council