

**MINUTES OF CITY OF MOUNT GAMBIER
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT
GAMBIER
ON MONDAY, 29 JULY 2024 AT 5.30 P.M.**

PRESENT: Mr Paul Duka, Mayor Lynette Martin (OAM), Cr Paul Jenner, Mr Alexander Brown, Ms Belinda Johnson

IN ATTENDANCE: Cr Jason Virgo, Corinne Garrett, UHY Haines Norton (virtual), Janna Burnham, Galpins (virtual)

OFFICERS IN ATTENDANCE:	Chief Executive Officer	- Mrs S Philpott
	General Manager City Infrastructure	- Ms B Cernovskis
	General Manager Corporate and Regulatory Services	- Mrs J Fetherstonhaugh
	Acting Manager Financial Services	- Ms K Rolton
	Executive Administrator	- Mrs A Pasquazzi

1 ACKNOWLEDGEMENT OF COUNTRY

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR FIRST NATIONS PEOPLES HAVE WITH THE LAND.

2 APOLOGY(IES)

Nil

3 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Alexander Brown

Seconded: Mayor Lynette Martin

That the minutes of the Audit and Risk Committee meeting held on 3 June 2024 be confirmed as an accurate record of the proceedings of the meeting.

CARRIED

4 QUESTIONS WITHOUT NOTICE

Nil



5 REPORTS

5.1 CORRESPONDENCE RECEIVED

COMMITTEE RESOLUTION

Moved: Mayor Lynette Martin

Seconded: Paul Duka

1. That Audit and Risk Committee Report No. AR24/43693 titled 'Correspondence Received' as presented on 29 July 2024 be noted.

CARRIED

5.2 INTERNAL AUDIT - PAYROLL AND REMUNERATION

COMMITTEE RESOLUTION

Moved: Belinda Johnson

Seconded: Mayor Lynette Martin

1. That Audit and Risk Committee Report No. AR24/29749 titled 'Internal Audit - Payroll and Remuneration' as presented on 29 July 2024 be noted.
2. That it be noted that progress achieved on the actions resulting from the Internal Audit - Payroll and Remuneration will be reported in future internal audit updates.

CARRIED

5.3 INTERNAL AUDIT - PDI ACT - POST IMPLEMENTATION AUDIT

COMMITTEE RESOLUTION

Moved: Cr Paul Jenner

Seconded: Mayor Lynette Martin

1. That Audit and Risk Committee Report No. AR24/29750 titled 'Internal Audit - PDI Act - Post Implementation Audit' as presented on 29 July 2024 be noted.
2. That it be noted that progress achieved on the actions resulting from the Internal Audit - PDI Act - Post Implementation Audit will be reported in future internal audit updates.
1. That the Audit and Risk Committee note the importance of recommendation 5 – *“Reintroduce regular, re-current scheduled meetings between Development Services and Operations & Engineering teams and other stakeholders”* and the significance of these meetings in fostering collaboration, ensuring effective communication, and enhancing the overall efficiency and coordination of development projects.

CARRIED



5.4 QUARTERLY INTERNAL AUDIT UPDATE REPORT

COMMITTEE RESOLUTION

Moved: Paul Duka
Seconded: Alexander Brown

1. That Audit and Risk Committee Report No. AR24/46781 titled 'Quarterly Internal Audit Update Report' as presented on 29 July 2024 be noted.
2. That a revised Internal Audit Plan including a reassessment of risk for each proposed internal audit be presented to the Audit and Risk Committee at its meeting scheduled for 25 November 2024.

CARRIED

5.5 LEASE AND LICENCE UPDATE - JULY 2024

COMMITTEE RESOLUTION

Moved: Cr Paul Jenner
Seconded: Alexander Brown

1. That Audit and Risk Committee Report No. AR24/49333 titled 'Lease and Licence Update - July 2024' as presented on 29 July 2024 be noted.
2. That an update on Leases and Licences be presented to the Audit and Risk Committee at its meeting scheduled for 25 November 2024.

CARRIED

5.6 COUNCIL POLICY UPDATE

COMMITTEE RESOLUTION

Moved: Cr Paul Jenner
Seconded: Belinda Johnson

1. That Audit and Risk Committee Report No. AR24/49733 titled 'Council Policy Update' as presented on 29 July 2024 be noted.
2. That an update on Council Policies including a timeline for review of each policy and the approach to be taken for timely policy reviews be presented to the Audit and Risk Committee at its meeting scheduled for 25 November 2024.

CARRIED



5.7 2023/2024 EXTERNAL AUDIT INTERIM MANAGEMENT REPORT

COMMITTEE RESOLUTION

Moved: Paul Duka

Seconded: Mayor Lynette Martin

1. That Audit and Risk Committee Report No. AR24/50401 titled '2023/2024 External Audit Interim Management Report' as presented on 29 July 2024 be noted.
2. That having been reviewed by the Audit and Risk Committee on 29 July 2024, the 2023/2024 External Audit Interim Management Report be adopted.
3. That the Audit and Risk Committee commend the administration on the work undertaken to reduce the actions / recommendations from the prior year's interim audit management report.

CARRIED

5.8 AUDIT AND RISK COMMITTEE MEETING REPORT

COMMITTEE RESOLUTION

Moved: Mayor Lynette Martin

Seconded: Belinda Johnson

1. That Audit and Risk Committee Report No. AR24/29752 titled 'Audit and Risk Committee Meeting Report' as presented on 29 July 2024 be noted.

CARRIED

6 MOTIONS WITHOUT NOTICE

Nil



7 CONFIDENTIAL ITEMS

7.1 LEGAL/LITIGATION COST/LIABILITY (RISK) EXPOSURE – REPORT NO. AR24/43578

COMMITTEE RESOLUTION

Moved: Mayor Lynette Martin

Seconded: Alexander Brown

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Audit and Risk Committee orders that all members of the public, except the Mayor, Councillor P Jenner, Independent Members, P Duka, A Brown, B Johnson and Council Officers, S Philpott, B Cernovskis, J Fetherstonhaugh, K Rolton and A Pasquazzi be excluded from attendance at the meeting for the receipt and consideration in confidence of Agenda Item 7.1 AR24/43578 Legal/Litigation Cost/Liability (Risk) Exposure.

The Audit and Risk Committee is satisfied that, pursuant to section 90(3) (a), (b), (d), (f), (g), (h) and (i) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)
- information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is
 - conducting business; or
 - proposing to conduct business; or
 - to prejudice the commercial position of the Council
- commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected:
 - to prejudice the commercial position of the person who supplied the information, or
 - to confer a commercial advantage on a third party
- information the disclosure of which could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the:
 - prevention, detection, or investigation of a criminal offence, or
 - the right to a fair trial
- information concerning matters that must be considered in confidence in order to ensure that the Council does not:
 - breach any law, order or direction of a court or tribunal constituted by law,
 - breach any duty of confidence, or
 - breach any other legal obligation or duty
- legal advice
- information relating to:

- actual litigation, or
- litigation that the Council or Council committee believes on reasonable grounds will take place,
- involving the Council or an employee of the Council

The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the information to be considered relates to litigation that has commenced and has been provided to Council on a strictly confidential basis.

CARRIED

COMMITTEE RESOLUTION

Moved: Cr Paul Jenner
Seconded: Alexander Brown

CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 7.1 AR24/43578 Legal/Litigation Cost/Liability (Risk) Exposure and its attachments, resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (a), (b), (d), (f), (g), (h) and (i) be kept confidential and not available for public inspection until further ordered by Council or released in part or full by the Chief Executive Officer under delegation, to be reviewed annually.
2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CARRIED

8 MEETING CLOSE

The Meeting closed at 6:58 pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee held on .

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PRESIDING MEMBER



Amended Attachment 1- Item 5.4 - Quarterly Internal Audit Update Report

Internal Audit Plan 2023/2024-2025/2026
(June 2024 update)

No.	Internal Audit Project	Description	Strategic Risk	Category	Resource	Status	Lead	2023/ 2024	2024/ 2025	2025/ 2026	Latest Progress update
1	Internal Audit Plan Development	Development of the Internal Audit Plan following review in 2024. This will include indicative audit scopes and links to Council's Strategic Risk Register.	All Risks	All	Internal	Complete	Manager Financial Services				Reviewed and Updated by Audit and Risk Committee June 2024
2	Penetration Testing	The objective of this testing is to identify weaknesses within the COMG internal network on an ongoing basis.	Cyber Security	Operational	External	Next Year Project	Manager Organisational Development				Administration staff are working with external systems provider.
3	Incident Response Plan	Review the adequacy of the incident response plan.	Cyber Security	Operational	External	Needs Review	Manager Organisational Development				Confirmed this will be undertaken by Local Government Risk Services (LGRS) in April 2024 with reporting to be brought to Audit and Risk Committee Meeting in August 2024.
4	Payroll & Remuneration	Review onboarding, changes to staff employment terms and exit of staff.	Financial Sustainability	Operational	External	Complete	Manager Financial Services				This is now complete. Report tabled at Audit and Risk Committee meeting July 2024.
5	Payroll & Remuneration	Broader organisation wide internal audit testing a range of current employees (excluding the employees within the scope of the above audit) against the terms and conditions of the relevant EBs, Awards and Contracts	Financial Sustainability	Operational	External	Next Year Project	Manager Financial Services				
6	Position Description & Accreditation	Review of position descriptions across the organisation to ensure that they are in date, accurate and that accreditation has been maintained by staff.	People, Workforce and Compliance	Compliance/ Legislation	Internal	Needs Review	Manager Organisational Development				Initial meeting held with preferred provider to work through the proposed scope and timing at a high level. Audit expected to be undertaken in April 2024.....did this happen?
7	PDI Act 2016 - Post Implementation Audit	Review of processes and organisational compliance further to the implementation of the PDI Act 2016.	Governance, Compliance, and Legislative Obligations	Compliance/ Legislation	External	Complete	Manager Financial Services				This is now complete. Report tabled at Audit and Risk Committee meeting July 2024. 16 recommendations tabled.
8	Data Protection & Privacy	The review will assess the design of Council's process for compliance with relevant privacy legislation and testing the operating effectiveness of key controls such as data management, data storage, privacy breach response and management.	Cyber Security	Compliance/ Legislation	Internal	Not Started	Manager Organisational Development				
9	Management of Leave Entitlements	Review of staff leave entitlements focusing liabilities, and effectiveness of administrative principles and procedures.	People, Workforce and Compliance	Compliance/ Legislation	Internal	Needs Review	Manager Organisational Development				
10	Legislated Training	Review of completion of legislated training across the organisation.	Safety Compliance and WHS Management	Compliance/ Legislation	Internal	Next Year Project	Manager Organisational Development				
11	Workers Compensation Process	Review of effectiveness of administrative principles and procedures.	Safety Compliance and WHS Management	Compliance/ Legislation	External	Needs Review	Manager Financial Services				
12	Fraud Prevention	Review the effectiveness and completeness of Council's framework (gap analysis vs standard, roles, responsibilities, policies and procedures and internal training and awareness).	Governance, Compliance, and Legislative Obligations	Compliance/ Legislation	External	Not Started	Manager Financial Services				
13	Council Policies	Review of Council policies ensuring alignment with the "Better Practice model" and legislation.	Governance, Compliance, and Legislative Obligations	Compliance/ Legislation	Internal	Not Started	Manager Governance and Property				
14	Grants Management	Review of Council's 'Cradle to Grave' grants process from strategy to acquittal.	Financial Sustainability	Strategic	External	Next Year Project	Manager Financial Services				

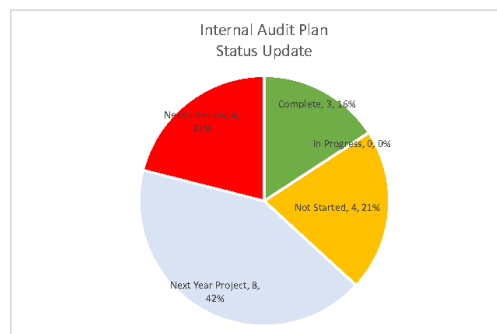


15	Investigations	Review of investigation procedures.	Safety Compliance and WHS Management	Compliance/ Legislation	External	Next Year Project	Manager Organisational Development				
16	Project Health Check	This review will include an assessment of a project's management mechanisms, governance structure, project team roles and responsibilities, and project status reporting mechanisms.	Major Infrastructure	Strategic	External	Next Year Project	Manager Financial Services				
17	Legislative Compliance	Assessment of COMG's legislative compliance work plan, auditing one act at a time with actions monitored and managed by Council Staff.	Governance, Compliance, and Legislative Obligations	Compliance/ Legislation	External	Next Year Project	Manager Governance and Property				
18	Procurement	Assessment of compliance with the exemption from competitive process framework.	Financial Sustainability	Compliance/ Legislation	Internal	Not Started	Manager Financial Services				
19	Contract Management	Compliance with delegation register throughout the contract management life cycle.	Financial Sustainability	Compliance/ Legislation	Internal	Next Year Project	Manager Financial Services				

Future Iterations

20	Plant and Fleet				External		Manager Financial Services				Per ARC Resolution 5.10 Draft Revised Internal Audit Program COMMITTEE RESOLUTION Moved: Alexander Brown Seconded: Mayor Lynette Martin 3. That plant and fleet be subject to a future internal audit in a later iteration of the Internal Audit program.
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Legend		19
Complete	Internal audit complete. Actions and recommendations arising from the audit may not yet be complete. These will be monitored separately.	3
In Progress	progress has been made towards the internal audit. This could include a number of stages including scoping of works, select RfQ, appointment of an external consultant or that the internal audit itself is currently being undertaken.	0
Not Started	Planned internal audit not yet started, but still within anticipated time frames for the current financial year.	4
Next Year Project	Planned internal audit not yet started as is planned for a future financial year.	8
Needs Review	planned internal audit requires review to bring back on track. Plan may require updating pending review. Elements of the internal audit could be on track and some elements may be off track or require updating.	4



Complete
In Progress
Not Started
Next Year Project
Needs Review

Recommendations and Actions

Payroll and remuneration processes		Risk Rating	Lead	Status	Completion Date	Comments
1a	The Council's Administrative Principle Risk Management was issued in June 2022 and is noted on the document as due for review in June 2023. This document is overdue for review. We note that the Council adopted a reviewed Risk Management Policy in June 2024	Moderate	General Manager Corporate and Regulatory Services	Completed	Jun-24	The Risk Management Policy was reviewed by the Audit and Risk Committee and adopted by Council in June 2024.
1b	The Administration Procedure – Acting Arrangements and Higher Duties Allowance, provides guidance on the processes for higher duties but also extracts from EBs and Awards. It does not include Mixed Functions for field staff which has different provisions for payment at higher classifications. A procedure should extract all components from a Relevant Award or EB but be kept updated whenever those change or instead refer to the relevant Clause Numbers of the Award or	Moderate	Manager Organisational Development	In Progress	Dec-24	Administration Principle is being reviewed and is scheduled to be updated by the end of the calendar year. Updated principle will be completed by 31/08/2024
2	One contract was signed manually by the employee and not signed by a witness. Two contracts were not signed by the CEO. One contract was signed by the CEO and employee via Adobe Sign; the witness box remains on the document and is unsigned. An employment contract does not need a witness when signed securely, such as using Adobe Esign, but if the Council is not going to use a witness, the witness box should be removed. We note that the latest contracts did not have a witness box. The Council also now uses Adobe Esign to electronically sign their employment contracts. This process ensures that all parties sign the contract and initial each page. The Contract with the missing CEO signature should be addressed.	Low to Moderate	Manager Organisational Development	Completed	Jul-24	The contracts with the missing CEO signature had a letter of offer which is issued by the CEO. The organisation has adopted esigning processes to ensure a streamlined approach for the perspective employee. This was identified and implemented prior to the audit being undertaken. The areas of improvement have been rectified accordingly. One of the contracts that was not signed by the CEO covers terms and conditions within the EB. The other contract that was not signed by the CEO will be addressed as the terms and conditions fall outside of the EB
PDI Act		Risk Rating	Lead	Status	Completion Date	Comments
1	Consider and confirm the Council's short-term intent in relation to city planning and the use of code amendments.	Moderate	Manager Development Services	Not Started	Mar-25	Council intends to wait for the finalisation of the Limestone Coast Regional Plan before commencing code amendment work. Completion date: First Qtr of 2025 - Noting Council's Budgetary Restraints - No Budget allocation for 24/25 FY Awaiting finalisation of Regional Plan to guide future code amendments.
2	Review whether the Planning Team have sufficient capacity and resources to lead Council-initiated code amendments, and/or respond to externally driven code amendments.	Moderate	General Manager Corporate and Regulatory Services	In Progress	Jul-25	Service reviews and workforce planning project will commence in first quarter of 2024-25. Summary findings will be presented to the Audit and Risk Committee upon completion.
3	Prioritising human resourcing for the Planning Team.	High	Manager Development Services	Completed	Jul-24	Addressing via para planner / additional administration support. Para Planner position filled in mid-June 2024.
4	Consider ways to reduce the workload associated with lower-level customer requests on the Development Services team.	High	Manager Development Services	In Progress	Sep-24	Para Planner commenced June 2024, Admin assistance currently being finalised, Para planner will commence work on FAC's in conjunction with other officers in August 2024
5	Re-introduce regular, recurrent scheduled meetings between Development Services and Operations & Engineering teams and other stakeholders.	Moderate	Manager Engineering Design & Assets	Needs Review	Jul-24	Meetings scheduled as required.
6	Conduct a mapping exercise to document/confirm roles and responsibilities between the Development Services and City Infrastructure teams.	Moderate	Manager Engineering Design & Assets	Not Started	Dec-24	Will be impacted by proposed legislative changes.



7	Consider how CoMG could influence planning and development activity by more proactively engaging with external stakeholders at the pre-planning stage, where applicable.	Moderate	ELT to determine	Not Started	Dec-24	<p>Guidance Development: Develop comprehensive guidance documents outlining CoMG's preferred positions on key elements of development plans. This should include clear explanations of requirements under relevant legislation like the Planning and Development Infrastructure (PDI) Act.</p> <p>Best Practice Outcomes: Define CoMG's views on best practice outcomes for holistic planning considerations such as stormwater management, established tree retention, streetscape enhancement, and heritage character preservation. This can be communicated through guidelines, policy statements, or informational materials provided to developers.</p> <p>Subject Matter Expert Availability: Identify and designate CoMG subject matter experts who can assist developers with inquiries at the pre-planning stage. Ensure that these experts are accessible and responsive to developers' needs, providing guidance and expertise to help align projects with CoMG's objectives and regulatory requirements.</p> <p>Stakeholder Engagement Platforms: Establish platforms or forums for regular engagement between CoMG representatives and external stakeholders, including developers, community groups, and industry associations. These platforms can facilitate dialogue, exchange of ideas, and collaboration on planning and development initiatives.</p> <p>Education and Awareness Programs: Conduct educational programs and outreach activities to raise awareness among developers and other stakeholders about CoMG's priorities, policies, and expectations regarding planning and development. This can include workshops, seminars, and informational materials disseminated through various channels.</p>
8	Increase capacity to perform important higher-risk compliance and enforcement actions.	Moderate	Manager Development Services	Not Started	Jun-25	<p>Prioritise Compliance Actions: Evaluate the current workload of Class 1 building inspections and identify areas where resources can be reallocated. Prioritize higher-risk compliance and enforcement actions over routine inspections to focus efforts on addressing outstanding issues.</p> <p>Training and Delegation: Provide comprehensive training to select administrative support staff to handle lower level tasks typically performed by Building Officers. Assign responsibility for tasks such as following up with developers/building owners, data reporting, and customer service provision</p> <p>Streamlining Processes: Identify opportunities to streamline compliance and enforcement processes to improve efficiency. This may include leveraging technology for streamlined communication with stakeholders.</p>
9	Consider engaging external consultants to assist with backlogs in class 2-9 building inspections.	Moderate	Manager Development Services	Completed	TBA	Backlog of inspections have been completed.
10	Ensure that Council's latest/updated published Delegations Register is available on the public website.	Low	Manager Governance and Property	Completed	Jul-24	
11	Work to ensure that members of the Limestone Coast Southern Regional Assessment Panel have clarity around responsibility for maintaining/updating relevant delegations.	Low	Manager Governance and Property	Needs Review	Jul-24	
12	Develop a pragmatic approach to periodically confirming that Development Services officers' delegations are up to date, correct and that officers have signed acceptance of these delegations.	Low	Manager Governance and Property	Not Started	Aug-24	
13	The BFSC consider developing a proactive approach to inspecting higher-risk buildings.	Low	Manager Development Services	Not Started	Dec-24	dependant on adequate resourcing. Final result to be reported back to Audit and Risk Committee.
14	Review and update CoMG's complaint handling policy with respect to PDI Act obligations.	Low	Manager Governance and Property	In Progress	Aug-24	Council are in the process of updating the Request for Service and Complaints Policy
15	Consider monitoring trends of community feedback/complaints to assist continuous improvement.	Low	Manager Organisational Development	Not started	Dec-24	<p>Set up a regular schedule for analysing community feedback and complaints data. This could be done monthly, quarterly, or annually, depending on the volume of feedback received. Analyse the data to identify recurring issues, trends, and areas for improvement.</p> <p>Based on the analysis of feedback and complaints data, identify specific areas within development services that require improvement. Look for patterns or common themes in the feedback to pinpoint areas where changes or adjustments may be needed.</p> <p>Develop action plans to address the identified improvement opportunities. A new suite of Customer Experience reporting is currently being developed and will be implemented by 31 August 2024</p>
16	Reconsider the need to continue maintaining the Land Division and Building and Swimming Pool Inspection policies, and either revoke them or update them to ensure consistency with legislation.	Low	Manager Engineering Design & Assets	In Progress	Sep-24	The Land Division Policy is currently under review by the Infrastructure team. The Building and Swimming Pool Inspection can be revoked

