

Strathbogie Shire Council

# Audit and Risk Committee Meeting Minutes

5 April 2024  
Via TEAMS

Minutes of the meeting of the Strathbogie Shire Council Audit and Risk Committee held on Friday 5 April 2024 commencing at 9.30 am via TEAMS.

## Present

Paul Ayton (Chair)	Community Member
Sophie Lukeis	Community Member
Alistair Thomson	Community Member
Alister Purbrick	Community Member
Peter Stephenson	Council Administrator

## Officers

Julie Salomon	Chief Executive Officer
Amanda Tingay	Director People and Governance
Sagara Gunasekara	Finance Coordinator
Michelle Bromley	Coordinator Governance and Record Management
Kerry Lynch	Governance Officer (Minutes)

### 1. Welcome

The meeting opened at 10:25 am.

### 2. Acknowledgement of Traditional Landowners

*We acknowledge the Traditional Custodians of the places we live, work and play.*

*We recognise and respect the enduring relationship they have with their lands and waters, and we pay respects to the Elders past, present and emerging. Today we are meeting on the lands of the Taungurung peoples of the Eastern Kulin nation, whose sovereignty here has never been ceded.*

### 3. Apologies

Dannielle MacKenzie (External Auditor, Crowe Australasia)

### 4. Disclosure of Interests

Nil to report.

### 5. Confirmation of [Minutes](#) of the Audit and Risk Committee held on 1 March 2024

#### Motion

**That the Minutes of the Audit and Risk Committee meeting held on 1 March 2024 be confirmed as an accurate record of the meeting with the following addition to item 6.6 Climate Change Action Plan:**

**The current Climate Change Action Plan lists forty seven (47) actions to be taken and/or implemented. It was suggested and agreed that two new actions be included in the plan:**

- **Encourage local businesses to create plans to be accredited Net Zero Emissions by 2035**

- Encourage ratepayers to install solar systems by 2030.

**Moved:** Paul Ayton  
**Seconded:** Alister Purbrick

**Carried**

## 6.1 Budget

### Draft 2024-25 Strathbogie Shire Council Budget and Draft Fees and Charges

In accordance with the requirements of section 94 of the *Local Government Act 2020* (the **Act**), Council has prepared a draft budget and fees and charges for the financial year ending 30 June 2025.

The draft budget and fees and charges have been developed in accordance with Section 96(1)(a) of the *Local Government Act 2020* financial management principles. A Revenue and Rating Plan was prepared in 2021 under new requirements introduced by Section (93) of the Act.

It should be noted that currently general rates, municipal charges, service rates/charges and special charges/rates are to be declared under Part 8 of the *Local Government Act 1989* as these provisions have not been included in the 2020 Act.

Council has attempted to minimise rate increases and has prepared the draft Budget based on a 2.75 per cent increase in the average rate per property. This is in line with the increase allowed for under the State Government's 'Fair Go Rates' legislation.

The Valuer General has issued advice to the effect that the 2024 general valuation has a relevant date of 1 January 2024 and is based on market conditions at, and immediately before, that date. Any market changes occurring now or in the future will be applicable to future valuation cycles.

In preparing the draft 2024-25 Budget and Fees and Charges, Council has considered many factors to try and balance community expectations and benefits with financial responsibilities including:

- Waste services and charges
- The cost of the Violet Town Rehabilitation Project
- Resealing, re-sheeting and rehabilitation of the Shire's road network
- Capital works programs including roadworks and drainage, works on existing bridges and culverts, footpath and cycleway works and tree maintenance programs.

The following recommendations were made, or clarification was sought by the Audit and Risk Committee in relation to the 2024-25 Draft Budget and Fees and Charges:

Observation/Clarification Sought	Clarification/Recommendation
Allocation of \$632,00 for replacement of Council's major information technology system	It was clarified that this is Strathbogie Shire Council's 2024-25 contribution as part of a four-council consortium (Strathbogie, Mansfield, Murrindindi and Benalla) to develop new technology systems. The consortium received initial funding of \$1.8m across four Councils.

Allocation of \$500,000 to the Nagambie Splash Park	It was clarified that the allocation of funds relates to remedial works needing to be completed on existing infrastructure to bring the project up to standard.
Budget – Service Performance Outcome Indicators	It was noted that some of the data relating to the service performance indicators was not clear. The Committee recommended that minor amendments be made to the budget document including benchmarking (where possible), such as data comparisons to other small rural councils.
Page 15 – Balance Sheet	It was noted that “other financial assets” was not clear in its context in the balance sheet, and an addition of a note explaining other financial assets should be included. It was explained that in preparing the 2024-25 budget, “other financial assets” related to term deposits.
Page 24 – Table 4.1.1(g)	Recommendation from the Committee to remove the total line as it is not relevant.
Page 29 – Borrowings	Clarification was sought as to whether borrowings included any work related to Kirwans Bridge and Chinamans Bridge. It was noted no borrowings are included in the draft budget for 2024-25.
Page 39 - Asset Renewal	The Audit and Risk Committee raised commentary around investment on maintenance and renewal of assets, highlighting that the renewal indicator in future years needs to be a key consideration of the newly elected council.
Budget for new Council	It was reported that funding has been allocated for the induction and training of new Councillors following the Local Government elections to be held in October 2024. Additional funding has also been allocated to assist Councillors to prepare the 2025-2029 Council Plan.

The Audit and Risk Committee questioned Management as to whether there had been learnings from ongoing capital works program delivery and processes and how these were being captured. It was reported that an independent review process was underway so as to ensure transparency and accountability around the capital works processes.

It was also suggested that it would be useful for the Audit and Risk Committee to receive out of session information to get some clarity around short term cash investments and interest rates.

**Actions:**

- 1. Director Sustainable Infrastructure, John Harvey be invited to the Audit and Risk Committee meeting on 31 May 2024 to brief the Audit and Risk Committee on capital works project delivery and processes.**
- 2. Provide the Audit and Risk Committee with information (out of session) relating to Council’s short term cash investments and interest rates.**

It was agreed that the 2024-25 Budget was solid, and the Audit and Risk Committee noted the 2024-25 Fees and Charges.

The draft budget will be presented to Council on 16 April 2024.

#### **Motion**

**That the Audit and Risk Committee note the 2024-25 Draft Budget and Draft Fees and Charges with agreed changes.**

**Moved: Paul Ayton**  
**Seconded: Sophie Lukeis**

**Carried**

### **6.2 Strategy Meeting/Workshop 21 June 2024**

The annual Audit and Risk Committee Strategy meeting/workshop is an opportunity for the Committee to discuss and workshop strategies with Officers to enhance and improve outcomes around Council's governance, legislative, risk and financial obligations.

The following suggestions were received regarding agenda items for the strategy meeting/workshop to be on 21 June 2024.

- Payroll Strategy
- Impact of climate change or global warming events on Council operations
- Policies and how we deal with the policy review process
- Social Housing and how Council can be more proactive and strategic in our approach

#### **Motion**

**That the Audit and Risk Committee note the agenda item suggestions to be included for the meeting to be held on 21 June 2024.**

**Moved: Paul Ayton**  
**Seconded: Sophie Lukeis**

**Carried**

### **7. BRIEFING WITH CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer briefed the Audit and Risk Committee on matters relating to the process for the appointment of an interim Chief Executive Officer.

### **8. NEXT MEETING**

The meeting closed at 11:20 am.

The next meeting of the Audit and Risk Committee will be held on 31 May 2024.

**Audit and Risk Committee Meeting Actions**

Audit and Risk Committee – follow up actions from meeting held on 5 April 2024						
Meeting Date	Item Number	Action	Responsible	Due Date	Status	Comment
2 December 2022	7.2 Outstanding Internal Audit Items Update	Director People and Governance to present a draft ICT Strategy to the Audit and Risk Committee in March 2023.	Director People and Governance	March 2023	Deferred	The Strategy will be dependent on the finalisation of the State Digital Transformation Strategy and further work to be undertaken on the Regional Digital Transformation Project (Project CODI). Project CODI is well progressed with the relevant business areas completing consultation processes. Tenders are in place in some areas for the purchase and development of new systems.
1 March 2024	6.1.1 Mid-Year Budget Review	Implement a communication program to provide regular updates to the Nagambie community regarding the status of Kirwans Bridge and Chinaman's Bridge	Director Sustainable Infrastructure/Communications and Engagement Team	Immediate	Not Started	
1 March 2024	6.4 Project CODI	The Manager Digital Innovation and Technology or the CODI Project Manager be invited to the Audit and Risk Committee Meeting on 31 May 2024 to Address the risks around the CODI Project	Manager Digital Innovation and Technology	31 May 2024	Complete	Included as an agenda item for the Audit and Risk Committee Meeting to be held on 31 May 2024.
1 March 2024	7.2 Outstanding Internal Audit Items	1. Complete a test of the disaster recovery plan and a report to be provided to the Audit and Risk Committee on 31 May	Manager Digital Innovation and Technology	31 May 2024	Not Started	

		<p>on the status of business continuity and disaster recovery plan testing</p> <p>2. Review the outstanding internal audit list items and provide updated dates indicating estimated dates for completions</p>	Director People and Governance			
5 April 2024	Item 6.1 Budget	Director Sustainable Infrastructure, John Harvey be invited to the Audit and Risk Committee meeting on 31 May 2024 to brief the Audit and Risk Committee on capital works project delivery and processes.	Director Sustainable Infrastructure	31 May 2024	Complete	Included as an agenda item for the Audit and Risk Committee Meeting to be held on 31 May 2024.
5 April 2024	Item 6.1 Budget	Provide the Audit and Risk Committee with information (out of session) relating to Council's short term cash investments and interest rates.	Finance Coordinator	31 May 2024	Complete	Investment information provided out of session