

## 7.8 Recommendations of Audit and Risk Committee Meeting

### Executive Summary

#### Purpose

This report presents the recommendations of the October 2023 Audit and Risk Committee meeting for consideration by Council. A schedule of reports and committee recommendations is attached to this report.

#### Background

The Audit and Risk Committee held a meeting on 3 October 2023. This report presents the findings and recommendations from that meeting for consideration by Council.

#### Key Issues

As recorded in the minutes of the Audit and Risk Committee meeting held on 3 October 2023 the following reports were tabled:

- A5.1 Standard questions for tabling at Audit and Risk Committee Meetings
- A5.2 Business arising
- A5.3 Audit and Risk Committee Administrative Matters
- A5.4 Annual Financial Statements and Performance Statement for the year ended 30 June 2023
- A5.5 Victorian Auditor-General's Final Management Letter and Closing Report - year ended 30 June 2023
- A5.6 2022-23 Draft Annual Report
- A5.7 Outcomes of IT Disaster Recovery Plan
- A5.8 Risk Management Update
- A5.9 Outcomes of Legal and Ethical Certification Program
- A5.10 Internal Audit Report - Follow Up Review
- A5.11 Internal Audit Report - Privacy/third-party Management of Information
- A5.12 Internal Audit Report - Special Rates and Charges Scheme
- A5.13 Internal Audit Update September 2023 Supplementary report
- A5.14 Reports to Parliament by VAGO and Other Regulatory Authorities

A summary of the content of the reports tabled and identification of the required Council action is contained in **Attachment 1**.

#### Next Steps

The subsequent Audit and Risk Committee meeting was held on 15 November 2023. These findings and recommendations will be presented at the February 2024 Council meeting.

### Officers' recommendation

That Council resolve to adopt the resolutions recommended to Council contained in **Attachment 1** as annexed to the minutes, reflecting the recommendations from the Audit and Risk Committee meeting held on 3 October 2023.

---

**Responsible manager:**      **Bryan Wee, Manager Governance and Legal**

---

## **1. Purpose**

To present to Council the recommendations of the Audit and Risk Committee meeting held on 3 October 2023. A schedule of reports and committee recommendations is presented as an attachment to this report.

## **2. Policy implications and relevance to community plan and council plan**

The Audit and Risk Committee Charter provides that recommendations of the Audit and Risk Committee are not binding until considered and adopted by Council.

## **3. Background**

Council's Audit and Risk Committee was established on 24 August 2020 when Council resolved to adopt the 'Audit and Risk Committee Charter 2020'.

The Audit and Risk Committee was held on 3 October 2023. This report presents the findings and recommendations from that meeting for consideration by Council.

Full copies of papers presented to the Audit and Risk Committee can be accessed by Councillors via the Councillor Portal. Assistance in locating these papers can be provided by the Governance and Legal Department.

## **4. Outline of key issues/options**

As recorded in the minutes of the Audit and Risk Committee meeting held on 3 October 2023 the following reports were tabled:

- A5.1 Standard questions for tabling at Audit and Risk Committee Meetings
- A5.2 Business arising
- A5.3 Audit and Risk Committee Administrative Matters
- A5.4 Annual Financial Statements and Performance Statement for the year ended 30 June 2023
- A5.5 Victorian Auditor-General's Final Management Letter and Closing Report - year ended 30 June 2023
- A5.6 2022-23 Draft Annual Report
- A5.7 Outcomes of IT Disaster Recovery Plan
- A5.8 Risk Management Update
- A5.9 Outcomes of Legal and Ethical Certification Program
- A5.10 Internal Audit Report - Follow Up Review
- A5.11 Internal Audit Report - Privacy/third-party Management of Information
- A5.12 Internal Audit Report - Special Rates and Charges Scheme
- A5.13 Internal Audit Update September 2023 Supplementary report
- A5.14 Reports to Parliament by VAGO and Other Regulatory Authorities

A summary of the content of the reports tabled and identification of the required Council action is contained in **Attachment 1**.

## **5. Consultation/communication**

Members of Council's Audit and Risk Committee and external and internal auditors were consulted during the preparation of Audit and Risk Committee reports referred to within this Council report.

## **6. Financial and resource implications**

Council's operating budget provides funds for the Internal Audit Program and for implementation costs associated with these Audit recommendations.

## **7. Governance issues**

No officers involved in the preparation of this report have a general or material conflict of interest requiring disclosure under chapter 5 of the Governance Rules of Boroondara City Council.

The recommendation contained in this report is compatible with the Charter of Human Rights and Responsibilities 2006 as it does not raise any human rights issues.

## **8. Social and environmental issues**

The contents of this report are consistent with Council's desire to provide solid financial and governance frameworks to support the enhancement of urban environmental and social amenity.

## **9. Conclusion**

This report presents to Council the recommendations of the Audit and Risk Committee meeting held on 3 October 2023.

**Manager:** Bryan Wee, Manager Governance and Legal

**Report officer:** Mai Mostafa, Senior Audit and Assurance Officer

**Summary of reports tabled at Audit and Risk Committee meeting held  
17 May 2023**

<b>No</b>	<b>Report Title</b>	<b>Summary of Content</b>	<b>Recommended Council Resolution</b>
A5.1	Standard Questions for Tabling at the Audit and Risk Committee meetings	<p>Audit and Risk Committee Members were given the opportunity to:</p> <ol style="list-style-type: none"> <li>1. Ask Auditors present if their work had been obstructed in any way. Auditors present responded that no obstructions had been experienced.</li> <li>2. Ask if there were any matters such as breach of legislation or practices that need to be brought to the attention of the Audit and Risk Committee. No matters were identified.</li> <li>3. Request a discussion of any matter with the Auditors in the absence of management and other staff. No matters were identified, and no discussion was held.</li> </ol>	Council note the Officers, Auditors and Members had no matters to raise in response to the standard questions outlined in this report.
A5.2	Business Arising	This report updated the Audit and Risk Committee on matters raised at previous meetings and provided follow up information on queries raised by Committee members. The Committee noted the actions taken in response to matters arising from the minutes of the previous meeting.	Council note the actions taken in response to matters arising from the minutes of previous meetings as outlined in Attachment 1 (as annexed to the Audit and Risk Committee minutes).
A5.3	Audit and Risk Committee Administrative Matters	This report updated the Audit and Risk Committee regarding administrative matters identified at previous Audit and Risk Committee meetings.	Council receive and note the report.

**Summary of reports tabled at Audit and Risk Committee meeting held  
17 May 2023**

No	Report Title	Summary of Content	Recommended Council Resolution
<b>The Chairperson determined, with the consent of the Committee, to reorder the agenda to consider item 5.5 before 5.4 and resolve the two items concurrently.</b>			
A5.5	Victorian Auditor-General's Final Management Letter and Closing Report - year ended 30 June 2023	This report presented the Victorian Auditor General's Office ("VAGO") Final Management Letter, outlining a summary of audit findings to the Audit and Risk Committee. This letter includes observations, recommendations, implementation dates and management responses to each finding.	<p>Council note and:</p> <ol style="list-style-type: none"> <li>1. Record its approval in principle of the Annual Financial Statements and Performance Statement for the year ended 30 June 2023, attached to this Report.</li> <li>2. Authorise the Chief Executive Officer to send the Annual Financial Statements and Performance Statement to the Auditor-General.</li> <li>3. Authorise the Mayor, Councillor Felicity Sinfield and Councillor Jim Parke (representing the Audit and Risk Committee) to certify the Annual Financial Statements and Performance Statement in their final form.</li> <li>4. Authorise the Principal Accounting Officer to implement any nonmaterial changes to the Annual Financial Statements and the Performance Statement as recommended by the Auditor-General. A summary of these changes will be presented at the next Audit and Risk Committee meeting.</li> </ol>
A5.4	Annual Financial Statements and Performance Statement for the year ended 30 June 2023	This report presented the Annual Financial Statements and Performance Statement for the year ended 30 June 2023 to the Audit and Risk Committee.	

**Summary of reports tabled at Audit and Risk Committee meeting held  
17 May 2023**

<b>No</b>	<b>Report Title</b>	<b>Summary of Content</b>	<b>Recommended Council Resolution</b>
			5. Note that any material changes requested by Victorian Auditor-General's Office will be completed by the Chief Financial Officer after consultation with the Chair of the Audit and Risk Committee and reported to Council.
A5.6	2022 - 23 Draft Annual Report	This report presented the draft 2022-23 Annual Report to the Audit and Risk Committee for review.	Council receive and note the report.
A5.7	Outcomes of IT Disaster Recovery Plan	This report provided an overview of the outcomes of the Disaster Recovery testing exercises during 2023 to the Audit and Risk Committee.	Council receive and note the report.
A5.8	Risk Management Update	This report updated the Audit and Risk Committee on the status of Risk Management activities undertaken during the reporting period.	Council receive and note the report.
A5.9	Outcome of Legal and Ethical Certification Program	This report presented the Legal and Ethical Compliance Program report required by the Audit and Risk Committee Annual Work Plan 2023-24 to the Audit and Risk Committee. The legal and ethical certification and assurance processes this year have not identified any issues that suggest significant systemic trends in identified issues.	Council receive and note the report.
A5.10	Internal Audit Report - follow Up Review	This report advised the Audit and Risk Committee on the outcomes of the Follow-up Review audit. The report concluded that all nineteen (19) recommendations rated high and moderate risk which were reported to the Audit and Risk Committee between July 2021 and June 2022 are now complete. As such there are no recommendations and management comments are not required.	Council receive and note the report.

**Summary of reports tabled at Audit and Risk Committee meeting held  
17 May 2023**

<b>No</b>	<b>Report Title</b>	<b>Summary of Content</b>	<b>Recommended Council Resolution</b>
A5.11	Internal Audit Report - Privacy/ third-party Management of Information	This report advised the Audit and Risk Committee on the outcomes of the Internal Audit review of Council's Privacy and Third-Party Information Management processes and key controls. The report provides six (6) audit recommendations to further strengthen controls and processes over Privacy and Third-Party Information Management.	Council receive and note the report.
A5.12	Internal Audit Report - Special Rates and Charges Scheme	This report advised the Audit and Risk Committee on the outcomes of the Internal Audit review of the Local Economies Special Rate and Charge Schemes processes and key controls. The report provides seventeen (17) audit recommendations to further strengthen controls and processes over Local Economies Special Rate and Charge Schemes.	Council receive and note the report.
A5.13	Internal Audit Update September 2023	This report updated the Audit and Risk Committee on the progress of audit recommendations arising from finalised internal audit reports.	Council receive and note the report.
A5.14	Reports to Parliament by VAGO and Other Regulatory Authorities	This report updated the Audit and Risk Committee on the reports to State Parliament by the Victorian Auditor-General's Office (VAGO) and other regulatory bodies with a local government impact or context.	Council receive and note the report.