



Minutes

Audit and Risk Committee Meeting held at 9.00 AM on Wednesday 10 April 2024 in the Bennett Room, Pleasant Creek Historic Precinct, Stawell.

1 Present

Mr Peter Knights (Chair)
Mr Tony Roberts
Ms Lynn Jensz
Cr Rob Haswell
Cr Kevin Erwin

Also in attendance

Mr Brent McAlister Chief Executive Officer
Mr Vaughan Williams, Director Corporate and Community Services
Mr Graham Haylock, Manager Financial Services
Mr Peter Phelan, Coordinator Financial Services
Mr Trenton Fithall, Director Infrastructure and Amenity (Item 7.3, 8.1)
Mr Mahesh Silva, RSD Audit (Item 6.1)
Ms Blessing Mendoza, RSD Audit (Item 6.1)

2 Apologies

Nil

3 Disclosures of a Conflict of Interest at a Council Auspiced Meeting

Nil

4 Confirmation of Minutes from the Previous Meeting

Resolution:

That the minutes from the Audit and Risk Committee meetings dated 6 December 2023 be confirmed.

Moved: Cr Kevin Erwin

Seconded: Cr Rob Haswell Carried

Attachment

1. 20231206 Audit and Risk Committee Meeting Minutes

5 Notification of Fraud Events

Nil to report

6 VAGO Audit

6.1 Audit Strategy

Ms Blessing Muncan and Mr Mahesh Silva discussed the Audit Strategy document for the external audit of NGSC. Key risks were highlighted that included the revaluation of capital assets, grant recognition and disclosure, risks from the flood works performed and key information systems. They outlined the materiality level used by RSD and provided a timeline of the audit timetable for the 2023-24 audit year.

Resolution:

That the Audit Strategy update be received and noted.

Moved: Ms Lynn Jenz

Seconded: Cr Kevin Erwin Carried

7 Risk Management/Internal Audit

7.1 Risk Committee Update

Mr Vaughan Williams lead a discussion on the latest Risk Committee Meeting. Topics mentioned included the ban of Inflatable items (i.e. bouncy castles). A discussion was held on the overall risk at events on council land and the capacity of checking safety protocols are up to date. Vaughan mentioned the survey on the wellbeing of staff and working from home, results of which will be presented in June. Vaughan talked about Duress alarms for both Stawell and St Arnaud town halls and further Customer Service training on the safety of the team. Vaughan discussed the community engagement regarding Kinder in St Arnaud. Another topic mentioned was the risk of financial sustainability due to the rate cap that restricts Council in generating sufficient income to conduct all activities required for the community. It was also highlighted that MAV have released guidelines related to Climate risks for Council.

7.2 Outstanding Audit Action List

Mr Graham Haylock presented the Outstanding Audit Action list for discussion. Graham outlined that the action list is presented to the Risk Committee and included in that list was VAGO's audit items, the procurement audit and Pool Audit.

7.3 EPA Audit

Mr Tenton Fithall discussed the EPA audit conducted in November. The first draft of the report has been received and the final draft will be presented to the audit committee once received. Items highlighted in the draft were Human health risks, contaminates in dirt, waste disposal, drains, reviewing of strategies, clarifying risks, disposal of water, material handling and whether an expansion of committees is required.

8 Financial Reporting/Management

8.1 Carry Forwards Management Plan

Mr Trenton Fithall discussed the management solution to be addressing the level of projects carried forward from the previous year. Trenton highlighted that the projects were too big to finish before the financial year end. Management reviewed all projects as well as the 10 year capital plan and mentioned that some projects will be moved into future years.

8.2 Quarterly Finance Report

Mr Graham Haylock presented the December 2023 Quarterly report. Items discussed included the Council's cash levels and that income and expenditure is as expected. Mr Haylock also provided information to the committee on the collection work on rates debtors and discussed sundry debtors. He mentioned that the value was slightly higher than expected due to the changes to the legal recovery process that have recently been instigated.

Resolution:

That the December Quarterly Report be received and noted.

Moved: Ms Lynn Jenz
Seconded: Mr. Tony Roberts Carried

8.3 Councillor Reimbursement Report

Mr Graham Haylock discussed the Councillor Reimbursement Report for the period 1 July 2023 to 31 December 2024.

Resolution:

That the Councillor Reimbursement Report be received and noted.

Moved: Mr. Tony Roberts

Seconded: Ms Lynn Jenz Carried

9 General Business

9.1 Biannual Report

Audit Committee Chair tabled the Biannual Report.

Resolution:

That the Biannual Report be received and noted.

Moved: Ms Lynn Jenz

Seconded: Mr. Tony Roberts Carried

The meeting closed at 10.55am.



Northern Grampians Shire Council

Audit Strategy Memorandum

For the financial year ending 30 June 2024

Presented to the Audit & Risk Committee on 10 April 2024

Background

I enclose for your information the audit strategy memorandum (ASM) for the year ending 30 June 2024.

The ASM provides an overview of our planned approach to the annual audit of the financial report of the Northern Grampians Shire Council. This document covers matters we believe to be significant in the context of our work. This ASM will be discussed at the audit & risk committee meeting on 10 April 2024.

Acknowledgement

I also take this opportunity to thank your executive team / or alike and staff for the time they made available to us during the planning phase of our audit.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Mahesh', written over a horizontal line.

Mahesh Silva

Partner

RSD Audit

VAGO Audit Service Provider

Bendigo

20 March 2024

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Introduction

Purpose of the audit strategy memorandum

This document outlines our planned approach to the audit of the Northern Grampians Shire Council financial report and performance statement and relevant acquittals for the financial year ending 30 June 2024.

It is a key document for us to communicate with those charged with governance and management.

This document should be read in conjunction with our engagement letter.

Scope and purpose of the audit

Financial Report

The *Audit Act 1994* requires the Auditor-General to

- form an opinion on whether your financial report presents fairly in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020 and the Australian accounting standards and to provide an audit report to you
- provide a copy of the auditor's report to
 - the Minister responsible for your financial report, and
 - the Assistant Treasurer where we provide a modified audit opinion, or where the Auditor-General directs.

Performance Statement

The *Local Government Act 2020* requires the Auditor-General to:

- form an opinion on whether your performance statement presents fairly in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020
- provide a copy of my auditor's report on the Council's performance statement to the Council and Minister.

Acquittals

Roads to Recovery Program

The *National Land Transport Act 2014* requires the Council to provide the Minister responsible for the Roads to Recovery Program an audited financial statement detailing funds received, spent, and carried forward as at the end of that year. The Auditor-General will form an opinion on whether the financial statement in all material respects is:

- presented in accordance with the Roads to Recovery Funding Conditions
- is based on and in agreement with proper accounts and records that the reported expenditure was used solely for the funded project.

Local Roads and Community Infrastructure Program

The Commonwealth Department of Infrastructure, Transport, Regional Development, Communications and the Arts requires the Council to provide an audited financial statement detailing receipts and expenditure with respect to the Local Roads and Community Infrastructure Program. A separate financial statement is prepared for each phase of the program that funding is received.

The Auditor-General will form an opinion on whether the financial statement, for each phase, in all material respects is:

- presented in accordance with the Local Roads and Community Infrastructure Guidelines
- is based on and in agreement with proper accounts and records and that the reported expenditure was used solely for approved projects.

Independence

The Auditor-General is:

- an independent officer of the Victorian Parliament
- appointed under legislation to examine on behalf of parliament and taxpayers, the management of resources within the public sector.
- not subject to the control or direction of either parliament or the government.



Planned audit approach

Risk identification and assessment



We understand your entity and its environment to:

- set materiality.
- identify material transactions, balances, disclosures, and significant events.
- identify and assess risks of material misstatement and the controls in place to mitigate these risks.
- develop our audit strategy, including scope, timing, and direction of the audit—refer to **Appendix A** for the details of our planned approach.

Risk Response



We choose and execute procedures to obtain audit evidence. This may include:

- testing key manual and application controls
- performing substantive testing of transactions and balances
- substantive analytical procedures
- reliance on the work of others and specialist experts
- use of data analytics.

Reporting



We report:

- in our interim and final management letters, observations, and our recommendations to improve your internal controls and other identified deficiencies.
- in our closing report, the outcome of our audit, informing you of financial reporting matters that are not related to internal controls.
- our audit opinion in our audit report.

New and emerging developments



Model financial report and performance statement for 2023-24

Each year Local Government Victoria (LGV) releases a model financial report and performance statements. The Local Government (Planning and Reporting) Regulations 2020 require councils to comply with these models.

LGV released the 2023-24 model financial report and performance statement on 23 February 2024 after consideration of feedback from the sector via a FINPRO working group, which VAGO attends.

Annual reporting timelines

The *Local Government Act 2020* requires council annual reports – which includes the audited financial reports and performance statements associated audit reports – to be finalised no later than one day prior to the election in a general election year.

To meet annual financial reporting timelines, an entity should have a plan that:

- outlines its legislative reporting requirements.
- details tasks to be performed, by whom and when.
- specifies the resources, milestones, key stakeholders, information systems, materiality threshold, oversight and quality assurance practices it needs to help the staff who prepare it.

Council elections October 2024

The *Local Government Act 2020* states a general election of Councillors must be held every 4 years on the fourth Saturday in October, unless an alternative date is specified by the Minister for Local Government.

A general Council election is currently scheduled to occur on 26 October 2024.

In light of an electoral structure review, 39 councils will alter their electoral structure before the October 2024 general election. For further information, refer Electoral structure and ward boundary reviews.

Key risks and areas of audit focus

Financial Statements

We identified that the following financial statement balances/ disclosures/ areas pose a higher risk of material misstatement to your financial report. We will focus particular audit attention to these areas. In addition, we will perform procedures to obtain sufficient appropriate audit evidence on other material classes of transactions, balances, and disclosures in your financial report to obtain assurance that they are fairly presented.

Key risk of material misstatement	New in 2023-24	Why we think it is of higher risk	Our proposed audit response	Significant judgements
1. Revaluation of property, infrastructure, plant, and equipment	No	<p>Property, infrastructure assets, plant and equipment represent a significant part of the Council's total assets (\$458 million as at 30 June 2023), with the majority of these assets carried at fair value.</p> <p>Some items experience significant and volatile changes in fair value, therefore necessitating an annual review of their value. While other assets it may be necessary to revalue the item only every 3 or 5 years.</p> <p>The market has been volatile and subject to uncertainties due to rising interest rates, supply chain issues, labour shortages, general inflation, COVID- 19, and other macro-economic factors.</p> <p>Determining the fair value of these assets is a complex process and is subject to judgement. Numerous assumptions about the assets are made (useful live, condition), valuation experts can be engaged and/or industry indices applied in determining fair value.</p> <p>On annual basis, selected asset classes are scheduled for a full revaluation.</p>	<p>We will:</p> <ul style="list-style-type: none"> → review management's assessment as to whether the fair value, for each material asset class, is materially different from the carrying amount. → assess the reasonableness of key assumptions underlying management's fair value assessment. → review any indexation calculations prepared by management and sight supporting documentation to validate the fair value. <p>Where you engage an expert we will:</p> <ul style="list-style-type: none"> → assess the valuer's competence, skills and experience to conduct an appropriate valuation. → review the terms of engagement (ie. scope) → valuer's report to evaluate the appropriateness of the methodology 	Yes

Key risk of material misstatement	New in 2023-24	Why we think it is of higher risk	Our proposed audit response	Significant judgements
		<p>Land and Buildings are subject to a full revaluation in 2023-24, and remaining assets will subject to a managerial assessment.</p> <p>The financial report may include a material misstatement if the valuation is not performed in line with a suitable methodology, by unqualified experts or is based on inappropriate assumptions and judgements.</p> <p>Valuations may be inaccurate due to the judgement and complexities associated with applying AASB 13 Fair Value Measurement.</p> <p>Disclosures may be incorrect or insufficient.</p>	<p>adopted, assumptions and estimates used and the overall reasonableness of the valuation.</p> <ul style="list-style-type: none"> → test the completeness and accuracy of data provided to your valuer. <p>We will complete substantive procedures including:</p> <ul style="list-style-type: none"> → check the determination of the revaluation increment or decrement. → review the journals posted by management to bring the revaluation increment or decrement to account. → review management’s impairment assessment → reviewing the adequacy of disclosures in your financial report. 	
2. Government grants	No	<p>The Council receives funding from the Australian and Victorian governments. The amount and timing of receipt varies year-to-year at the discretion of the respective government, depending on program initiatives or capital projects.</p> <p>The application of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Non-for-Profit Entities requires management to exercise judgement in determining whether the funding agreement contains sufficiently specific enforceable performance obligations exist.</p> <p>Termination for Convenience (TFC) clauses within grant agreements, that require a grant recipient to refund unspent amounts upon demand by the</p>	<p>We will:</p> <ul style="list-style-type: none"> → update our understanding of key controls over material items of revenue. → evaluate management’s process to assess funding arrangements against the requirements of AASB 15 and AASB 1058 → performing substantive analytical procedures → verify a sample of transactions to supporting documentation, including a review of the grant agreement against the requirements of AASB 15 and AASB 1058 	Yes

Key risk of material misstatement	New in 2023-24	Why we think it is of higher risk	Our proposed audit response	Significant judgements
		<p>grantor gives rise to a financial liability on any unspent amounts.</p>	<ul style="list-style-type: none"> → make enquiries of management regarding funding subject to recall and if recall provisions are enacted or waived sight supporting documentation to confirm the appropriateness of the accounting treatment adopted. → obtain and review management’s assessment of the impacts of Termination for Conveniences clauses. → review the adequacy of disclosures in your financial report. 	
<p>3. Impact of floods</p>	<p>No</p>	<p>Heavy rainfall during October 2022 and January 2024 resulted in rising rivers and waterways. Flooding occurred across Victoria with many councils, including Northern Grampians Shire Councils, experiencing damage to property and infrastructure assets.</p> <p>The storm event of 13 February 2024 also resulted in council needing to respond.</p> <p>The Council is able to seek recovery of costs associated with the recovery and clean-up activities via funding from the state government under the Disaster Recovery Funding Arrangements 2018 (DRFA).</p> <p>The risk of material misstatement is elevated because:</p> <ul style="list-style-type: none"> → the clean-up and recovery works may occur over an extended time period. → the clean-up and recovery costs are ad hoc in nature and comprised of numerous transactions of varying amounts. 	<p>We will:</p> <ul style="list-style-type: none"> → update our understanding of the flood event on the operations and assets of the Council. → update an understanding of the Council’s key systems and processes for capturing costs relating to clean-up and recovery activities. → perform substantive procedures, including the verification of material transactions to supporting documentation. → review management’s impairment assessment of PIPE to reflect actual damaged infrastructure assets. → review management’s schedule of assets written off. → consider the flood event when reviewing and testing figures within the statement of capital works and 	<p>Yes</p>

Key risk of material misstatement	New in 2023-24	Why we think it is of higher risk	Our proposed audit response	Significant judgements
		<ul style="list-style-type: none"> → claims under the DRFA may not be approved as eligibility requirements are not satisfied. → a number of months may elapse as claims are assessed. → funding may be advanced prior to claims being assessed. → a receivable or a contingent asset may need to be recognised at balance date subject to the status of the claims process. → assets may be impaired and need to be written off. 	<ul style="list-style-type: none"> assessing the reasonableness of explanations provided for material variations between budget and actual expenditure. → review the accounting treatment adopted by management for funding advanced and/or received from government. → assess the appropriateness and reasonableness of any receivable or contingent asset recognised at balance date in light of supporting documentation. → review the financial disclosures relating to the expenses and funding. 	
4. Changes in key information systems	Yes	<p>The Council has transitioned to a new financial management system Business Central during 2023-24.</p> <p>This increases the risk of material misstatement in the financial report due to:</p> <ul style="list-style-type: none"> → the migration of data from the old to the new system → a need for staff to understand the new system, in terms of functionality and reporting capability → changes to the control environment <p>Data for preparing the financial statements may be inaccurate or incomplete as a result of system failure or lack of controls.</p>	<p>We will:</p> <ul style="list-style-type: none"> → review the ICT environment, including a review and assessment of the effectiveness of general IT controls operating at the council. This incorporates controls over security, change management, business continuity and disaster recovery. → review management’s implementation plan, including the controls that were put in place to ensure complete and accurate transfer of data → review and test the data migration process to confirm the completeness and accuracy of financial system data → consider and review any internal audit reports, where applicable. 	No

Performance statement

We have identified that the following indicator / area/ disclosure poses a higher risk of material misstatement to your performance statement. We will focus particular audit attention to these areas.

Key risk of material misstatement	New in 2023-24	Why we think it is of higher risk	Our proposed audit response
<p>The performance statement may not be prepared in accordance with applicable legislative requirements</p>	<p>No</p>	<p>The Local Government (Planning and Reporting) Regulations 2020 specify the indicators to be included in the performance statement.</p> <p>Local Government Victoria (LGV) release a model performance statement each year that needs to be compiled with.</p> <p>For 2023-24 there has been changes to the indicators to be included in the performance statement that are subject to audit.</p> <p>There is a potential risk that:</p> <ul style="list-style-type: none"> → systems in place at Council may not accurately capture the data required to support the sustainability and service performance outcomes. → financial figures are incorrectly included or excluded when calculating the financial outcomes. → a lack of quality assurance over the preparation of performance statement may also result in significant errors or omissions. 	<p>We will:</p> <ul style="list-style-type: none"> → review the systems in place to capture the financial and non-financial data. → determine the reliability and completeness of the available records for compiling that indicator. → verify figures to supporting documentation. → check the calculations of reported figures. → assess the reasonableness of explanations included in the performance statement for material variations. → confirm that the format of the performance statement complies with model performance statement released by LGV.

Materiality

We use our professional judgement to decide what is material by considering qualitative and quantitative factors.

We use materiality to make judgements about the:

- balances and disclosures that require detailed audit attention
- amount of audit work we perform
- effect of misstatements.

We start with an overall materiality for the financial report. Our view is that uncorrected errors above this amount, either individually or in aggregate, would mislead the users of the financial report.

For the council, we have determined that there are particular statements, account balances or disclosures for which misstatements of lesser amounts than overall materiality could reasonably be expected to mislead the users of the financial report. Consequently, a specific materiality threshold has been set for all account balances other than Property, Infrastructure Assets, Plant and Equipment (PIPE).

For our audit we use amounts less than overall and specific materiality, to reduce the probability that the aggregate of uncorrected and undetected misstatements exceeds overall and specific materiality. We call this 'performance materiality'. We will need you to correct any errors above performance materiality before we issue our opinion.

We will not need you to correct any errors that are clearly trivial—an amount below which we judge those misstatements are of no quantitative consequence. If we identify such misstatements, we will not communicate these to you.

We will reassess materiality before providing our audit opinion. Our planning materiality levels are shown in the table.

Description	Benchmark [^]	Amount (\$million)
Overall materiality	5% of Infrastructure Property, Plant and Equipment from prior year	\$22.9m
Performance materiality	80% of overall materiality	\$18.3m
Clearly trivial threshold	5% of performance materiality	\$915k
Specific materiality	5% of total expenditure from prior year	\$2.4m
Specific performance materiality (set for all account balances other than base component e.g., infrastructure assets)	80% of specific materiality	\$1.9m
Specific performance materiality (set for all account balances other than base component e.g., infrastructure assets)	5% of specific performance materiality	\$95k

[^] materiality based on 2022-23 financial report

For performance statements, we set materiality for each individual indicator reported after considering qualitative and quantitative factors influencing that indicator. The nature of performance statements means that an overall materiality level for the statement cannot be communicated.

Other audit considerations

The following factors are also key to our audit approach and will be used at various stages of the audit process.

Using the work of internal audit

The council do not have a clearly defined internal audit function.

Our use of data analytics

Our data analytics team will collect, analyse, and interpret your data for audit purposes. Data analytics enables us to conduct a more targeted audit, improve the efficiency and effectiveness of our audit process and to share key insights with you. Our work will allow us to analyse larger data populations, identifying patterns, correlations and trends enabling us to direct our audit procedures.

Use of specialist/experts

You have relied on the work of experts to assist with the fair value estimate of property, infrastructure assets, plant, and equipment. We will assess the work of the expert to determine whether we can place reliance on their report.

Other responsibilities

Refer to our engagement letter for a complete list of responsibilities.

Internal control

Management is responsible for maintaining suitable accounting records and designing and operating internal controls that prevent and detect fraud and error.

The control environment is an integral part of the governance framework. It represents management's commitment to establishing and executing well-controlled business operations. Our ability to rely on systems of control is directly related to how effective we assess they are.

Our preliminary assessment of your control environment is that it supports our reliance on your internal systems of controls.

We will promptly write to those charged with governance on significant internal control deficiencies that come to our attention during the audit.

Refer to **Appendix B** for the table listing of an update on the management letter points raised in the prior years.

Fraud

During our audit we ask those charged with governance, management, and others to identify any known instances of fraud. We also make enquiries to understand where you consider fraud risks are and if you have any knowledge of actual or suspected fraud. This includes considering the risk of management override of controls. Our audit is not designed to detect fraud. However, should instances of fraud come to our attention, we will report them to you.

Suspected corrupt conduct

The *Audit Act 1994* requires us to notify the Independent Broad-based Anti-Corruption Commission (IBAC) where we become aware of any matter during our audit that we reasonably suspect involves corrupt conduct occurring or having occurred. If we need to notify IBAC, this will override the existing confidentiality provisions in the *Audit Act 1994*.

Waste, probity, and financial prudence

If we become aware of any wastage of public resources or any lack of probity and financial prudence in the management or application of public resources, we will report it to management and/or Parliament via our reports.

Audit timetable

Milestone	Date	Responsibility
Planning of our audit commences	25 January 2024	Council & RSD
Audit strategy discussed at the Audit & Risk Committee meeting	10 April 2024	Council & RSD
Interim audit commences	10 April 2024	RSD
Shell financial report provided to audit	Early June 2024	Council & RSD
Shell performance statement provided to audit	Early June 2024	Council
Draft financial report / performance statement submitted to audit after internal quality assurance by management	14 August 2023	Council
Final audit commences	17 August 2023	Council & RSD
Closing meeting with auditors	23 August 2023	Council & RSD
Closing report discussed at the Audit & Risk Committee meeting	11 September 2024	Council & RSD
Financial report and performance statement adopted and signed by governing body	September 2024 [^]	Council
Independent Auditor's Report signed*	September 2024*	VAGO
Final management letter issued by~	11 September 2024~	RSD
Annual report printers proof provided to audit for review	September 2024 [^]	Council

Note: * date subject to VAGO receipt of signed financial report and management representation letter

Note: ~ to be issued no later than four weeks from date of audit report

The emergence of the COVID-19 pandemic has changed the way we undertake our audit delivery. In 2023, we released our Better Normal: a new way of working together information sheet that explained our hybrid model we now work under. This model involves engaging with you remotely, using either Microsoft Teams or your organisation's preferred platform, in addition to interacting in-person when it matters most (for high-value and high-impact collaboration), relative to your audit's circumstances (for example, if we need to work with you on a highly sensitive or contentious audit matter). Please ask your Sector Director for a copy of this information sheet if you require a refresh.

Fees and key contacts

Fees

You will be advised of the estimated audit fee in a separate letter.

Fees are based on our planned audit approach and will be billed progressively based on work complete.

Fees are subject to change if the scope, volume, or complexity of the audit changes.

Fees may change if agreed milestones are not met such as limited availability of key finance staff to assist the audit process.

Key contacts

Signing officer

Travis Derricott

Sector Director, Financial Audit

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Engagement leader

Mahesh Silva

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Team leader

Blessing Mendoza

Engagement Manager

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Other information

Financial reporting updates



Financial reporting alerts

There are no major changes to accounting standards for 2023-24.

Minor amendments to AASB 101 *Presentation of Financial Statements* encourage financial report preparers to consider the adequacy of financial reporting disclosures:

- entities must disclose material as opposed to 'significant' accounting policies. Examples of circumstances when accounting policies are likely to be considered material to the financial statements are detailed in AASB 101 paragraph 117B.
- clarification that disclosure on how your entity has applied the accounting standards to their own circumstances is more useful than copying the requirements of the accounting standards.

Please refer to VAGO's financial reporting alerts on our [website](#) covering the latest significant accounting developments and guidance for public sector entities.

Reports to Parliament



Results of Financial Audits

VAGO will table two reports summarising the results of the 2023–24 financial audits:

- *Auditor-General's Report on the Annual Financial Report of the State of Victoria: 2023–24* (covering all sectors other than local government). We expect to table this report in November 2024.
- *Local Government: Results of the 2023–24 Audits*. We expect to table this report by the end of 2024.

VAGO will table two reports summarising the results of the 31 December 2023 financial audits:

- *Technical and Further Education Institutes: Results of the 2023 Audits*, and
- *Universities: Results of the 2023 Audits*.

We expect to table these reports in May 2024.



Performance Audits

- A list of performance audits in progress are on [our website](#)
 - Details of planned performance audits are in our [Annual Plan](#)
-

Key VAGO links and resources



[VAGO's website](#)

[VAGO's role](#)

[Reports and Publications](#)

[Information privacy](#)

[Transparent Report](#)

[Complaints about VAGO](#)

[Public Sector Perspectives](#)

[Improving Public Sector Financial Reporting: Power of streamlining](#)

APPENDIX A

Planned audit approach

Material component (\$million)	Inherent risk assessment* (Likely/Possible /Unlikely)	Controls reliance* (Yes/Partial/No)	Planned internal audit reliance (Yes/No)	Residual risk of material misstatement* (High/Moderate/ Low/Negligible)	Planned reliance on substantive audit procedures (High/Moderate/ Low/Negligible)
Revenue and Income					
Rates and charges (\$19.5m)	Possible	Yes	No	Low	Low
User charges (\$1.99m)	Possible	No	No	Moderate	Moderate
Government grants – operating (\$15.9m)	Possible	No	No	Moderate	Moderate
Government grants – capital (\$7.27m)	Possible	No	No	Moderate	Moderate
Expenses					
Employee costs (\$19.3m)	Possible	Yes	No	Low	Low
Material and services (12.6m)	Unlikely	Yes	No	Low	Low
Depreciation (\$14.5m)	Possible	No	No	Moderate	Moderate
Assets					
Cash and cash equivalents (\$26.6m)	Unlikely	No	No	Low	Low
Trade and other receivables (\$2.82m)	Unlikely	No	No	Low	Low
Property, infrastructure assets, plant and equipment (\$457m)	Likely	Partial	No	High	High
Liabilities					
Unearned income (\$5.48m)	Possible	No	No	Moderate	Moderate

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Material component (\$million)	Inherent risk assessment* (Likely/Possible /Unlikely)	Controls reliance* (Yes/Partial/No)	Planned internal audit reliance (Yes/No)	Residual risk of material misstatement* (High/Moderate/ Low/Negligible)	Planned reliance on substantive audit procedures (High/Moderate/ Low/Negligible)
Provisions (\$4.32m)	Possible	Partial	No	Moderate	Moderate
Equity					
Accumulated surplus (\$122m)	Unlikely	No	No	Low	Low
Reserves (\$353m)	Unlikely	No	No	Low	Low
Notes to the accounts					
Related parties	Unlikely	No	No	Low	Low
Commitments	Unlikely	No	No	Low	Low
Contingencies	Unlikely	No	No	Low	Low






Note *: We have changed our risk of material misstatement categories due to amendments to Australian auditing standard ASA 315 *Identifying and Assessing the Risk of Material Misstatement*. This standard is effective for financial reporting periods beginning after 15 December 2021. A summary of the changes and impact can be seen below:

Risk Category	What is this?	Impact from amendments to ASA 315?
Inherent risk	The likelihood of material misstatement before considering internal controls	No change – continues to be assessed as either unlikely, possible, or likely risk of material misstatement by considering whether risk escalation factors are present. A risk assessed as likely is a significant inherent risk – VAGO categorise significant risks as 'high' in our table above.

Control risk	The control risk associated with relevant controls that the auditor intends to rely upon and plans to test for operating effectiveness.	<p>No change – continues to be categorised as high, moderate, or low depending on the auditor’s preliminary assessment of the effectiveness of key controls.</p> <p>Please note, the control risk must be set as ‘high’ when controls are absent, poorly designed, or where the engagement team plans not to test them as it is not appropriate or efficient to do so.</p>
Residual risk of material misstatement	The risk of a material misstatement after considering control effectiveness and inherent risk. It is the risk that the financial report may contain a material misstatement.	<p>We have reduced our previous 5-point scale for the (residual) risk of material misstatement to a 4-point scale. We now classify risk of material misstatement as:</p> <ul style="list-style-type: none">→ High→ Moderate→ Low, or→ Negligible. <p>Essentially, this will not change our audit approach. Our prior 5-point scale provided subtle differentiation in risk ratings to leverage reliance on substantive audit procedures where it is appropriate and efficient to do so. We are confident that this risk response is embedded into our engagement approach, and we will continue to leverage on these procedures to provide an efficient risk response.</p>




APPENDIX B

Status of prior period reported items

Prior period reference	Finding	Risk rating	Management's agreed completion date	Status as at March 2024	Description
2023.1	Performance Statement Review	Moderate	30 June 2024	In Progress 	Review to form part of the end of financial year process.
2022.1	Calculation of Long Service Leave	Moderate	30 June 2023	In Progress 	Issues identified were due to our legacy payroll system. New system will improve LSL reporting.
2022.2	Parks, Open Space and Other Infrastructure Valuation Basis	Moderate	30 June 2023	In Progress 	Contractors have been engaged.
2022.3	Found Assets	Low	30 June 2024	In Progress 	Low risk item to be addressed as part of this end of financial year process.
2021.1	Grants Register	Moderate	1 August 2021	In Progress 	Register continues to be updated and improved to assess AASB 5 & 1058 disclosures.

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Prior period reference	Finding	Risk rating	Management's agreed completion date	Status as at March 2024	Description
2021.3	ICT General Controls Weaknesses	Moderate	TBD	In Progress 	Many items have been addressed. Due to the scope of the recommendation, a completion date cannot be provided. Work continues in this space. This item is regularly reported to the Audit and Risk Committee.
2019.3	Provision for Doubtful Debts Assessment	Low	30 June 2020	In Progress 	Low risk item to be addressed as part of this end of financial year process.

Key: 	<i>Completed or due date not yet reached, and action being undertaken</i>
	<i>Past due date but action being undertaken /or action needs to be confirmed by the audit engagement team</i>
	<i>Open (as per representations from management) and overdue</i>

The table below include rating definitions and actions for observations and findings.

Rating	Description of rating	Management action required
High	<ul style="list-style-type: none"> → A material misstatement in the financial report has occurred or is likely to occur. It could result in a modified audit opinion if the entity does not take urgent action. → A control weakness could cause, or is causing, a major disruption to the entity's ability to achieve process objectives and comply with relevant legislation. 	<ul style="list-style-type: none"> → Executive management must correct the misstatement in the financial report or take urgent action to avoid a modified audit opinion. → Management must immediately create a detailed action plan that the entity will implement within one month.

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Moderate

- A non-material misstatement, which has the potential to become material, has occurred, or is likely to occur, in the financial report.
- A control weakness could have, or is having, a moderately adverse effect on the entity's ability to achieve process objectives and comply with relevant legislation.

- Management must immediately create a detailed action plan that the entity will implement within three to six months.

Low

- A misstatement (not expected to be material) is likely to occur in the financial report.
- A minor control weakness, with minimal but reportable impact, is affecting the entity's ability to achieve process objectives and comply with relevant legislation.

- Management must immediately create a detailed action plan that the entity will implement within 12 months.
-

Risk Committee Minutes



Date: 13 February 2024 9am - 10am

Attendees: Brent McAlister – CEO
 Trenton Fithall – Director Infrastructure & Amenity
 Vaughan Williams - Director Corporate & Community Services
 Mary Scully – Manager Governance
 Camille Buntsma - Manager People & Culture
 Graham Haylock - Manager Financial Services
 Kylie Allen - Risk & Lease Management Officer / Cemetery Trust Secretariat

Guest: Nil

Apologies Justine Kingan – Director Strategy Prosperity & Engagement

Standing Items		Description	Raised by:	Actions	Responsible
1	Significant Risks Identified, Treatment Plans & Priorities	Use of inflatable devices for events on council owned/managed land	Mary Scully	CEO agreed to put a ban on use of devices as per insurer’s advice. Conditions of Hire and events registration form wording changed; updated information sourced from insurers for enquiries to Cr Ostarcevic; letters being sent to event organisers. Investigate commercial operators and their compliance regime. Review licencing requirements for carnival operators.	Mary Scully
2		Risk Management Plan 2023_24	Kylie Allen	Review and update A&R Committee on status	

	Progress against Risk Management Policy objectives	Risk Attention Report Feb 2024	Kylie Allen	Review outstanding items with teams	
3	Significant OHS, emergency, financial, fraudulent incidents reported	Occupational violence	All	Investigation re cost of living, post covid, assistance factors. Duress button procedures review. Induction & ongoing training	Camille Buntsma
4	Significant insurance claims	Nil Trip and falls ongoing Car accident claim being denied			
5	Projects identified with significant associated risks	Pre prep (St Arnaud)	Trenton Fithall	Time, community expectations, funding.	Project monitoring
6	Summary of conducted audit reports including recommendations	Annual operational audit plan Audit Recommendations Register Feb 2024	Standing	National Quality Standards – St Arnaud Early Learning Centre is rated at Meeting NQS, report recommendations added to CAMMS (KA) Environmental Assessment – Final report not available yet (KA)	
7	Business Continuity Planning				
8	Relevant Policy and Procedure activity				
Other Items		Description	Raised by	Action	Responsible
9	Emerging risks	The rate cap will be set at 2.75 percent for 2024/25. With this decrease – down from 3.5 percent in 23/24 – council will have no relief from the extreme financial pressures they have faced in the last four years MAV media release 22/12/2023	KA	<i>... While local government goes backwards by 30 percent compared to CPI since the introduction of the rate cap, all while the State and Federal budgets increase far beyond this. For councils to be stuck at 2.75 percent is going to be challenging in the extreme ...</i>	FYI

		Drowning (lakes & ponds)	MS	Information forwarded to Zander, Jeevan and Tony. MS <i>attending training for further context</i>	Mary Scully
10	Relevant investigation reports				
11	Legislative updates				
12	Environmental & Cultural Risks	Victoria must act now on climate risk – MAV media release 11/1/2024	KA	With Victoria experiencing extensive flooding for the second time in 15 months, the MAV will call on the Minister for Planning to use her powers under the Planning and Environment Act to update planning schemes to reflect known climate and flood-related risks. <i>...must ensure the Victorian planning system adequately manages the risks of development in terms of climate impacts, including flooding and inundation....</i>	FYI
		Climate resilience of council assets – major risk New LGA has climate change management requirements	Brent McAlister	Fire, flood, drought assessments Funding? New builds take impacts/standards into account	

Risk Register

Print Date: 08 Feb, 2024

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
AU1	2022-23 Financial Report and Performance Statement	Graham Haylock - MANAGER FINANCIAL SERVICES	10 Oct, 2023	A comprehensive detailed grants register that includes all necessary assessment required by the accounting standards had not been prepared by management	Graham Haylock	11 Oct, 2023	30 Jun, 2024	In Progress	10	The grants register and processes have improved during the year. Management will endeavour to improve the disclosure of the assessment of AASB 5 and AASB 1058 in the supporting documentation of our grants and unearned income notes of the financial accounts	Quarter
				Before submitting the performance statements and workbook for auditing, we recommend that an internal review and verification process be applied to match the data to the supporting documentation	Nick Welsh	11 Oct, 2023	30 Jun, 2024	In Progress	10	Management will review supporting documents that provide the basis of the Performance Statement disclosures before providing the final document for audit	
				Engage external party to undertake IT infrastructure penetration testing, develop & adopt Disaster Recovery Plan & Policy, Develop ICT Security Mngt Policy, Conduct a periodic review of the Network User Access	Stretch Smith	11 Oct, 2023	30 Jun, 2024	In Progress	80	An external Cyber security audit has been conducted, results have been presented to Management. The findings will be used to form the basis of a formal Cyber security action plan which will be presented to the ARC in August 2023	
				Perform a review of the workings to calculate the LSL provision balances at year end to ensure accuracy prior to audit (there is a new LSL model, we suggest NGSC considers on using the latest LSL model)	Graham Haylock	11 Oct, 2023	30 Jun, 2024	In Progress	10	Management acknowledges the incorrect figures provided by our legacy payroll system for the LSL balances of some employees. Council has installed a new payroll system that will be able to provide correct leave balances for all employees and a review of these balances will be made before the completion of 2023/24 LSL calculation	
				We recommend a full review/stocktake of these assets to ensure 'ALL' assets are identified within the registers, and that the varied nature of these classes hasn't led to duplications of assets in other classes. The assets should then be valued at Fair Value as for other infrastructure and property	Graham Haylock	11 Oct, 2023	30 Jun, 2024	In Progress	10	Contractors have been engaged to look at the open space assets. This review includes but is not limited to the Fair Value assessment of the assets in the category, the asset stock in the category which includes any found assets and the remaining useful lives of the assets in this category	
				We recommend NGSC use the correct Workcover rate for next financial year, as the provision is for future years	Graham Haylock	11 Oct, 2023	30 Jun, 2024	In Progress	10	Calculation will be made later in financial year and provide to Auditors before 30 June for review	

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
AU5	2023 LSV Pool Safety Assessment SSAC	Zander McDougall - MANAGER ACTIVE COMMUNITIE S	20 Mar, 2023	10.03/12.01 - it is recommended that the pool tank and associated fixtures and fittings are free of protruding/sharp edges.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Current design of the pool, will not allow this to be changed	Quarter
				10.08 - it is recommended that all steps are provided with handrails.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	All steps leading into the pool have hand rails	
				10.09 - it is recommended that ladders do not intrude into the lap swimming space. It is recommended that all ladders are designed to ensure entrapment risks are not created either between the treads or between the ladder and the wall.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Current design of the pool, will not allow this to be changed	
				10.14 - it is recommended that the pool concourse is appropriately maintained to ensure that it remains free of fixed equipment.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Thre is currently no fixed equipment on pool deck, we do have chairs, bench seats and equipment on pool deck. With the current design of hte pool, we will not meet the requirements for this.	
				10.18 - it is recommended that sun protection is provided over all pool spaces intended for use by young swimmers	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	We have sun protection over the toddler, pool, there is no protections over the outdoor pool or slides	
				10.19/11.19 - it is recommended that sun protection is provided over any concourse spaces. It is recommended that a Cancer Council Slip, Slop, Slap, Seek, Slide sign is provided to educate facility users	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Signage needs to added to the outdoor pool areas, shade will need to be added to the redevelopment	
				10.23 - it is recommended that the wall marking extends without interruption from the pool edge to the pool floor. It is recommended that the wall line should have a cross line in place 300mm beneath the water surface.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	This will need to be looked at in the redevelopment	
				10.24 - it is recommended that lane ropes have colour markings in place to identify the 5.0m mark from both ends of the pool	Zander McDougall	21 Mar, 2023	30 Jun, 2024	Complete	10	Completed	
				10.25 - it is recommended that backstroke flags are removable	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Outdoor pool are removable, indoor pool are removable if needed	

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				11.03 - it is recommended that the pool tank and associated fixtures and fittings are fitted flush, free of protruding edges.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Current design of the pool, will not allow this to be changed	
				11.08 - it is recommended that all steps are provided with handrails	Zander McDougall	21 Mar, 2023	30 Jun, 2024	Complete	10		
				11.09 - it is recommended that all ladders are designed to ensure entrapment risks are not created either between the treads or between the ladder and the wall.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Current design of the pool, will not allow this to be changed	
				11.12 - it is recommended that the step and ramp handrails are designed to be 865-1000mm in height.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Current design of the pool, will not allow this to be changed	
				11.13 - it is recommended that the pool concourse is appropriately designed to ensure it is free of lips / abrupt changes.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	There is currently no fixed equipment on pool deck, we do have chairs, bench seats and equipment on pool deck. With the current design of hte pool, we will not meet the requirements for this.	
				11.14 - it is recommended that the pool concourse is appropriately maintained to ensure that it remains free of water pooling.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	There is currently no fixed equipment on pool deck, we do have chairs, bench seats and equipment on pool deck. With the current design of hte pool, we will not meet the requirements for this.	
				12.11 - it is recommended that the pool concourse is appropriately designed to ensure it is free of lips / abrupt changes.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	There is currently no fixed equipment on pool deck, we do have chairs, bench seats and equipment on pool deck. With the current design of hte pool, we will not meet the requirements for this.	
				12.12 - it is recommended that the spa pool concourse is appropriately maintained to ensure that it remains free of fixed equipment.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	There is currently no fixed equipment on pool deck, we do have chairs, bench seats and equipment on pool deck. With the current design of hte pool, we will not meet the requirements for this.	
				12.20 - it is recommended that the Spa pool emergency stop device should only be able to be reset by staff.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Current design of the pool, will not allow this to be changed	
				18.01 - it is recommended that a documented review process is in place.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Done	
				18.05 - it is recommended that a major inspection is completed on the slide / flume features min. every 10 years, as per the manufacturers guide, after an incident, if the device is altered.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Process implemented in consultation with maintenance team	

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				18.06 - It is recommended that a log book is in place to document the history of the slide / flume equipment. It is recommended that the log book is kept up to date with the details of completed repairs and inspections. It is recommended that the inspections are only completed by staff that are suitably competent.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	Complete	10	Completed	
				18.18 - it is recommended that splash pools / landing zones are provided with suitable exit indicators. It is recommended that splash pools / landing zones are provided with suitable 'do not re-enter' indicators	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Landing space in seperated with lane ropes, we dont have signage	
				18.19 - it is recommended that exit areas (where located in other pool user areas) are provided with suitable physical barriers. It is recommended that the barrier used to distinguish a slide / flume exit area are secure and do not present a hazard to facility users	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Barrier in place, but ther is no signage	
				18.20 - it is recommended that (when multiple slides are provided) that there is a minimum distance of 2.0m between the separate landing zones.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Dus to design of the slides, this isnt in place	
				18.21 - It is recommended that the splash pools / landing zones are provided with a concourse which has a minimum of 3.0m.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Current design of the pool, will not allow this to be changed	
				2.01 - It is preferable that the Emergency Planning Committee meet on a quarterly basis.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Planning committee is established, qualaterly	
				2.04 - Training is provided members of the Emergency Planning Committee which includes as a minimum emergency plan management, committee duties, staff duties, emergency document management	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	In progress	

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				2.15 - It is recommended that a location / site map is provided which includes as a minimum information covering the street address, emergency access point/s, emergency vehicle access	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Completed	
				3.06/3.16 - There was insufficient evidence that all of the staff were completing an appropriate amount of in-service training.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Completed	
				3.24 - It is recommended that a suitable process is developed to ensure that the necessary staff are trained in manual handling relevant to the facility specific features and equipment.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	LMS and onsite training completed	
				5.03 - It is recommended that the risk assessment and subsequent lifeguard deployment gives consideration to the summary of arrangements for resourcing, documented review process is in place at the facility	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Completed	
				6.06 - It is recommended that the first aid area is only used for first aid.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Infrastructure not suitable	
				6.10 - it is recommended that the first aid area has appropriate provisions including a hot and cold water source.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Infrastructure not suitable	
				7.05 - it is recommended that all dry chemicals are suitably stored and kept in areas free of spillage	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Completed	
				7.17 - it is recommended that all chemical injection point at the facility are labeled to enable the content to be easily and quickly identified.	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	In progress	

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				9.03/9.07 -hygiene signage is displayed including patrons to wear the appropriate swimming attire, an access prohibition for patrons who have a communicable illness or disease, an access prohibition for patrons who have experienced (or are currently experiencing) signs and symptoms of Gastoenteritis, the requirement for patrons to shower with soap before use	Zander McDougall	21 Mar, 2023	30 Jun, 2024	In Progress	10	Completed	
AU4	Cyber Security Maturity Assessment	Stretch Smith - MANAGER BUSINESS TRANSFORMA TION	04 May, 2023	Create unique administrator accounts for each staff requiring privileged access. Disable shared admin accounts	Stretch Smith	05 May, 2023	30 Jun, 2024	In Progress	10		Quarter
				Deny direct outbound connectivity that is neither authenticated or expressly permitted by design. Deny traffic between computers unless required, segregate users from corporate services.	Stretch Smith	05 May, 2023	30 Jun, 2024	In Progress	10		
				Deploy an endpoint based web proxy solution such as Netskope so workstations and remote users are protected. Ensure the solution provides dynamic content inspection or similar compensating capability	Stretch Smith	05 May, 2023	30 Jun, 2024	In Progress	10		
				Develop an Secure Standard Operating Environment (SSOE) for servers and desktops Restrict removable storage media as part of SSOE development. Apply controls locally at the endpoint as part of the SSOE base image	Stretch Smith	05 May, 2023	30 Jun, 2024	In Progress	10		
				Enable in-built Microsoft controls for local accounts and preventing disclosure (Credential Guard, Wdigest, LAPS). Audit workstations after LAPS implementation to ensure no local users have admin	Stretch Smith	05 May, 2023	30 Jun, 2024	In Progress	10		

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				Ensure DEP, ASLR, EMET and other OS native exploit mitigations are enabled by default. Can be done as part of SSOE	Stretch Smith	05 May, 2023	30 Jun, 2024	In Progress	10		
				Implement DLP controls across web and email channel so that users are unable to exfiltrate data out of the organisation or access unapproved third party cloud computing resources.	Stretch Smith	05 May, 2023	30 Jun, 2024	In Progress	10		
				Internally deploy Microsoft Windows Defender Application Control / AppLocker for application whitelisting purposes Alternatively examine compensating controls which may offer parallel functionality	Stretch Smith	05 May, 2023	30 Jun, 2024	In Progress	10		
				Prevent users from changing web browser settings and macro settings via policy. Can be done as part of developing an Secure Standard Operating Environment (SSOE)	Stretch Smith	05 May, 2023	30 Jun, 2024	In Progress	10		
				Review firewall policies for endpoints	Stretch Smith	05 May, 2023	30 Jun, 2024	In Progress	10		
AU6	National Quality Standard - ELC	Marita Tobin - COORINATOR EARLY YEARS	15 Jan, 2024	Std 1.1 - The service may wish to: <ul style="list-style-type: none"> • Further develop curriculum decision making processes introduced to embed processes to support consistency and educator's confidence • Implement developed strategies in the service's RAP and through bush kinder sessions to engage with children's families and the local Indigenous community in order to develop child-centered educational programs for Aboriginal and Torres Strait Islander children's ways of knowing 	Marita Tobin	16 Jan, 2024	31 Dec, 2024	In Progress			Annual

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				Std 1.2 - The service may wish to: • Further build on educator's skills and confidence in purposefully responding to children's learning as an ongoing and consistent practice across the service	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			
				Std 1.3 - The service may wish to: • Continue to implement revised strategies for program development and documenting and the learnings gained by educators across the service to embed the ongoing cycle of analysing learning, documentation, planning and implementation	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			
				Std 2.1 - The service may wish to: • Continue working through the Achievement Program to provide further opportunities and extend educator's skills and knowledge in promoting healthy lifestyle choices and enhance children and families current health and wellbeing initiatives to support a whole-of-service approach to health and wellbeing	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			
				Std 2.2 - The service may wish to: • Continue working with developed plans to strengthen educators skills and knowledge on the CSS and methods for implementing and embedding practices to support continuous quality improvement	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				Std 3.1 - The service may wish to: <ul style="list-style-type: none"> • Further develop educator's critical reflection strategies to reflect on the design of the physical environment and consider opportunities to make changes to strengthen children's learning and development outcomes • Continue to engage with local Indigenous partners to further create physical environments that welcome and reflect the Aboriginal and Torres Strait Islander children and families attending the service 	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			
				Std 3.2 - The service may wish to: <ul style="list-style-type: none"> • Further reflect on the program and discuss strategies for actively engaging children in learning experiences that demonstrate ongoing environmental awareness and responsibility that leads to lifelong learning • Explore opportunities to support families to develop a greater understanding and engage in environmentally responsible and sustainable practices. Further information and resources can be found at EYLF 	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			
				Std 4.1 - The service may wish to: <ul style="list-style-type: none"> • Provide opportunities for collaboration with family and community partners, that may become an ongoing approach to the organisation and continuity of educators and staff at the service 	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				Std 5.1 - The service may wish to: • further develop reflective practice that includes educators systematic approach to reflecting on their interactions with children and on opportunities to further enhance children's lifelong learning	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			
				Std 5.2 - The service may wish to: • Further develop strategies to facilitate regular reflective discussions that include the service's approach to supporting individual children to build and maintain sensitive and responsive relationships that is inclusive of children and families voices	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			
				Std 6.1 - The service may wish to: • Implement strategies to embed family contributions that may guide service decision making for continuous quality improvement planning	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			
				Std 6.2 - The service may wish to: • Further implement strategies from the developed RAP to guide changes to programs across the service that enhance partnerships in consultation with area based professionals who are members of the local Aboriginal community with an understanding of Aboriginal culture and history of the community	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				Std 7.1 - The service may wish to: • Consider the Child Safe Standards (CSS) as part of the service philosophy to further guide and support educators practice in implementing key areas identified in the action plan to embed strategies • Further develop strategies, such as critical reflection to actively seek family feedback that supports and may contribute to changes in the service vision and purpose.	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			
				Std 7.2 - The service may wish to: • Consider procedures for maintaining the service's quality improvement plan (QIP) that includes regular input from children and families to ensure the QIP is reflective of current practices, improvements and set goals.	Marita Tobin	16 Jan, 2024	31 Dec, 2024	Not Started			
AU3	OHS Audit (Recovre)	Camille Buntsma - MANAGER PEOPLE & CULTURE	31 Aug, 2023	Create and implement a competency based training program for Supervisory and Managerial staff on undertaking effective Incident Investigations and setting effective corrective actions.	Kate McMahon	01 Sep, 2023	28 Sep, 2023	In Progress	10	Root Cause Analysis Training by Martech assigned to all supervisors in LMS who may be required to complete investigations. Course must be done prior to starting any investigation and new process promoted. Investigation's of Elumina high risk and high potential incidents are the responsibility of the relevant supervisor and investigation team as per the OHS hazard and Incident reporting Procedure.	Quarter
				Develop and implement a program of training courses that provide all employees in Supervisory, Managerial and Executive roles with a competency based understanding of the principles of OHS management and OHS Law	Kate McMahon	01 Sep, 2023	20 Dec, 2023	In Progress	10	1. Peter contact Recovre after checking for suitable material on LMS. 2. Book training/delivery provider for managers. Recovre=cost of OHS law for managers training \$2280 plus GST. LMS module identified.	

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				Develop and implement procedures that describe the processes and accountabilities associated with a Permit to Work system. NGSC must determine what permits are required and the circumstances under which they must be used. Permits are typically for Hot Work, Work at Heights / Roof Access, Electrical Work and Confined Space entry.	Kate McMahon	01 Sep, 2023	28 Oct, 2023	Completed	100	1. Heath to research and develop draft Work Permit for Working At Heights (>2m), EWP, travel tower. 2. ELT to decide if Nat V.3 level safety systems to be implemented.	
				Ensure that the Emergency Evacuation maps are installed as soon as reasonably practicable in the Stawell Library and ensure all staff understand the requirements. Create and implement an organisational Emergency Preparedness and Response procedure.	Kate McMahon	01 Sep, 2023	20 Dec, 2023	In Progress	10	1. Peter and Cam to read Australian Standard, 2. review existing EMPs in each area, 3. review standardised template(or accreditation site requirements) for managers to update and review to meet Nat V.3 compliance	
				Implement a system that provides greater awareness for senior management of overdue Elumina corrective actions to enable responsibilities to be enforced.	Kate McMahon	01 Sep, 2023	28 Oct, 2023	In Progress	10	1. Create Promapp to instruct managers on running Elumina reports. 2. Distribute to SLT	
				Review how tasks are allocated and instructed through Safe Work Method Statements, Safe Operating Procedures or similar, to mitigate the risk of employees undertaking tasks in an inappropriate manner.	Kate McMahon	01 Sep, 2023	01 Feb, 2024	In Progress	10	Training: 1. Create Promapp and 2. deliver BT Cuppa and onsite training for all staff. 3. Include in new staff induction program (pre-recorded instructional). Actions: 4. Supervisors and staff identify duties and tasks, create heirarchy of risk and prioritise documentation	
				Update the OHS Hazard and Incident Reporting and Investigation procedure to describe processes and accountabilities for supporting staff that may have been involved in or witness to a critical incident.	Kate McMahon	01 Sep, 2023	06 Oct, 2023	In Progress	10	1. Kate to recreate Critical incident flowchart, amend with EAP details. 2. Update OHS Hazard and incident reporting and investigation procedure section 3.3 and submit to ELT.	

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
AU2	Procurement Internal Audit	Graham Haylock - MANAGER FINANCIAL SERVICES	30 Apr, 2023	Recommend Authority is investigated to support restriction of staff raising and approving purchase orders and printing hard copy purchase orders for approval. Where system functionality in Authority does not support implementing controls, expectations should be documented within the Procurement Policy.	Graham Haylock	01 May, 2023	30 Jun, 2024	Completed	100	This recommendation is no longer relevant as Council no longer uses Authority. In the new system (MS Dynamics Business Central), the option for self-approving purchase orders has been turned off, and all approval processes are electronic.	Quarter
				Recommend clearly documenting and clarifying approaches and thresholds for gaps identified above. Once updated training should be provide to staff involved in procurement. Systems should be aligned to the requirements in the updated Procurement Policy	Graham Haylock	01 May, 2023	30 Jun, 2024	In Progress	10		
				Recommend formalizing an AP Policy and Procedure which document key controls as above. Once drafted training should be provided to AP staff over expected processes.	Peter Phelan	01 May, 2023	30 Jun, 2024	In Progress	10	A new finance has been implemented which has built in controls and approval workflows on changes (including bank accounts)	
				Recommend implementing where possible reporting over aggregate spends, Procurement Policy exceptions, open purchase orders.	Graham Haylock	01 May, 2023	30 Jun, 2024	In Progress	10		
				Recommend the Procurement Policy is revised to include gap areas identified above. Alternatively, this may sit in a linked Critical Procurement Policy.	Graham Haylock	01 May, 2023	30 Jun, 2024	In Progress	10		
				Recommend where goods and services are purchased through preferred suppliers, purchase orders still be raised to confirm rates and receive appropriate approval	Graham Haylock	01 May, 2023	30 Jun, 2024	In Progress	10		

Risk Code	Risk Title	Business Unit Manager	Risk Identified	Action Title	Responsible Officer	Start Date	End Date	Action Status	% Completed	Comment	Review Frequency
				Recommend where purchases are through existing contracts, purchase order still be raised allowing confirmation against agreed upon rates	Graham Haylock	01 May, 2023	30 Jun, 2024	In Progress	10		
				Update the Procurement Policy to address the situation where a tender process fails to attract any suitable tender applicants.	Graham Haylock	01 May, 2023	30 Jun, 2024	In Progress	10		

Financial Report

31 December, 2023



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Executive Summary as at 31 December, 2023

It should be noted that this report only reflects spending to 31 December, 2023.

The actual variation shows a favourable movement of \$4.3M in expected closing cash held at the end of the financial year Council ended the period with \$17.1M cash.

Cash Flow Statement as at 31 December, 2023

	Actuals	Forecast Budget	Adopted Budget	Forecast vs Adopted \$	% of Forecast used
Cash flows from operating activities					
Rates and charges	10,824,944	20,261,000	20,135,000	126,000	53.4%
Statutory fees and fines	90,534	356,000	356,000	-	25.4%
User fees	1,029,675	1,955,000	1,955,000	-	52.7%
Grants Operating	2,061,705	11,103,000	11,103,000	-	18.6%
Grants Capital	283,110	5,607,000	5,607,000	-	5.0%
Contributions Operating	75,278	73,000	73,000	-	103.1%
Contributions Capital		108,000	108,000	-	0.0%
Interest received	125,732	221,000	221,000	-	56.9%
Other	560,069	542,000	542,000	-	103.3%
Employee costs	(10,730,129)	(19,167,000)	(19,039,000)	(128,000)	56.0%
Materials and services	268,576	(12,605,962)	(10,427,000)	(2,178,962)	-2.1%
Other payments	(703,510)	(1,175,385)	(1,161,000)	(14,385)	59.9%
Net cash provided by operating activities	3,885,986	7,277,653	9,473,000	(2,195,347)	53.4%
Cash flows from investing activities					
Payments for Property, infrastructure, Plant & Equipment	(12,242,314)	(16,837,705)	(11,882,000)	(4,955,705)	72.7%
Proceeds from sale of Property, infrastructure, Plant & Equipment	64,000	90,000	90,000	-	71.1%
Net cash used in investing activities	(12,178,314)	(16,747,705)	(11,792,000)	(4,955,705)	72.7%
Cash flows from financing activities					
Finance costs	(20,339)	(43,000)	(43,000)	-	47.3%
Net cash used in financing activities	(20,339)	(43,000)	(43,000)	-	47.3%
Net decrease / increase in Cash & Cash Equivalents	(8,312,667)	(9,513,052)	(2,362,000)	(7,151,052)	87.4%
Cash & Cash Equivalents at beginning of period	26,623,024	26,623,024	15,133,000	11,490,024	100.0%
Cash & Cash Equivalents at end of period	18,310,356	17,109,972	12,771,000	4,338,972	107.0%

Notes:

1 Refer to Operating Statement

2 Refer to Capital Works Statement

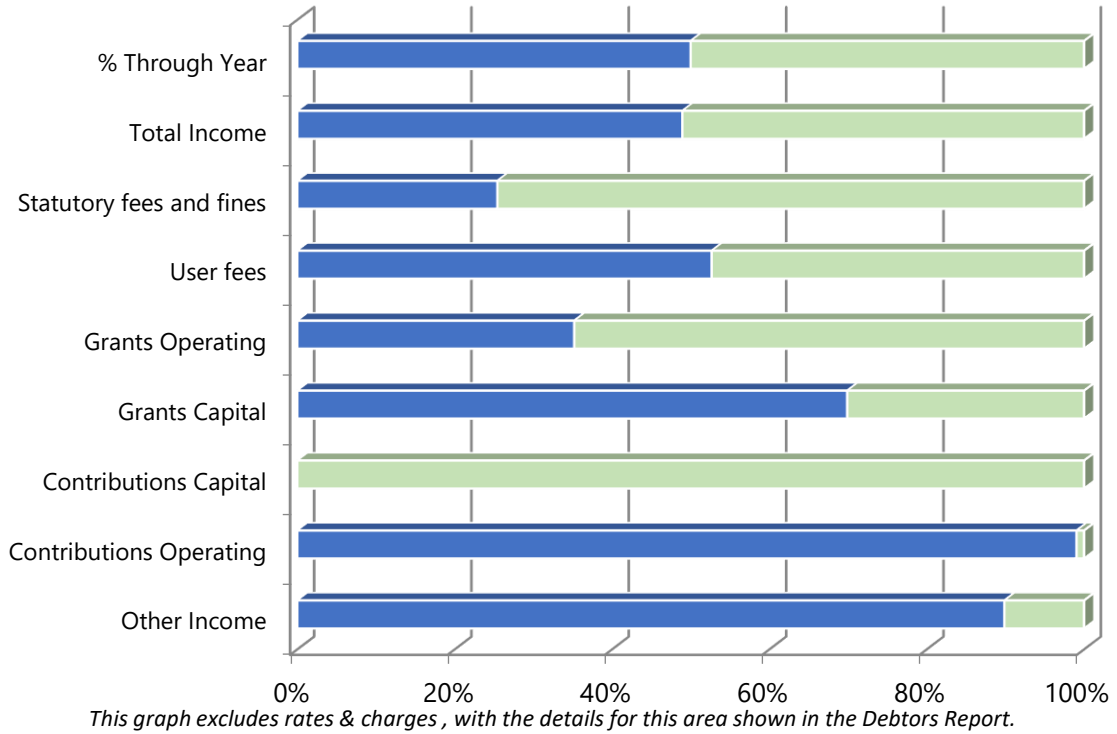
Operating Statement as at 31 December, 2023

	Actuals	Forecast Budget	Adopted Budget	Forecast vs Adopted \$	% of Forecast used	
Revenue						
Rates and charges	20,317,592	20,320,000	20,135,000	185,000	100.0%	1
Statutory fees and fines	90,534	356,000	356,000	-	25.4%	
User fees	1,029,675	1,955,000	1,955,000	-	52.7%	
Grants Operating	3,908,847	11,103,000	11,103,000	-	35.2%	
Grants Capital	3,919,353	5,607,000	5,607,000	-	69.9%	
Contributions Operating	75,278	76,000	73,000	3,000	99.1%	
Contributions Capital	-	108,000	108,000	-	0.0%	
Other Income	685,801	763,000	763,000	-	89.9%	
Total Revenue	30,091,081	40,288,000	40,100,000	188,000		
Expenses						
Employee costs	10,199,229	19,167,000	19,039,000	128,000	53.2%	
Materials and Services	5,855,287	12,605,962	10,427,000	2,178,962	46.4%	2
Depreciation	-	14,276,000	14,276,000	-	0.0%	
Amortisation - Right of Use Assets	-	40,000	40,000	-	0.0%	
Borrowing costs	20,339	43,000	43,000	-	47.3%	
Other expenses	703,510	1,175,385	1,161,000	14,385	59.9%	
Total expenses	16,778,366	47,307,347	44,986,000	2,321,347	35.5%	
Surplus (Deficit) for the period	13,312,715	(7,019,347)	(4,886,000)	(2,133,347)	-189.7%	

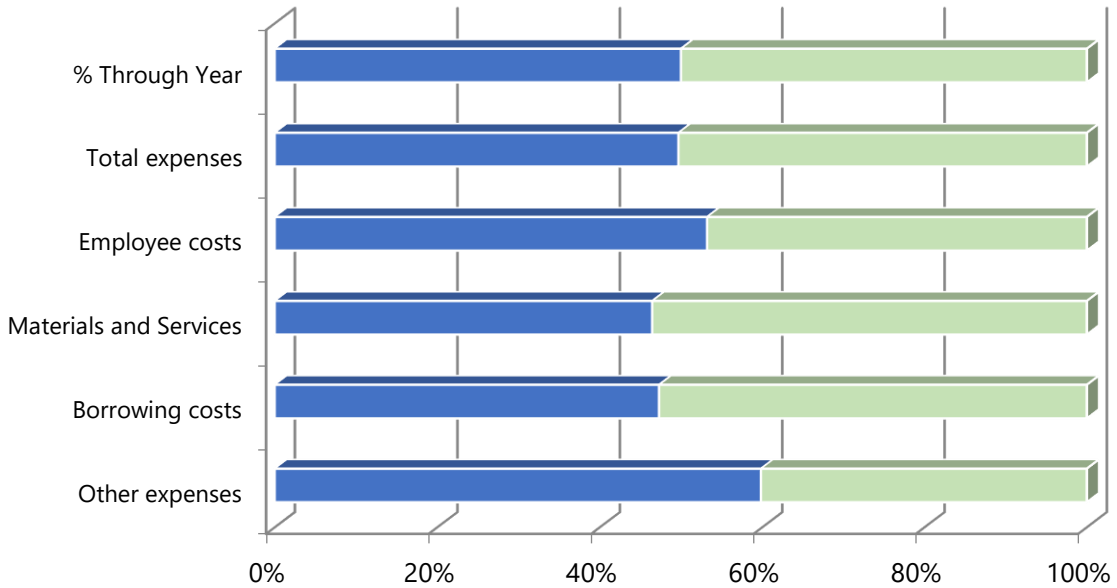
Notes:

- 1 Forecast adjusted to recognise supplementary rates.
- 2 Forecast adjusted to recognise prior year projects carried forward into the current year (previously reported) and costs for the Bridge & Culvert assessments (\$269K) & St Arnaud Pool assessment (\$35K).

Ordinary Operating Revenue Progress



Ordinary Operating Expenditure Progress



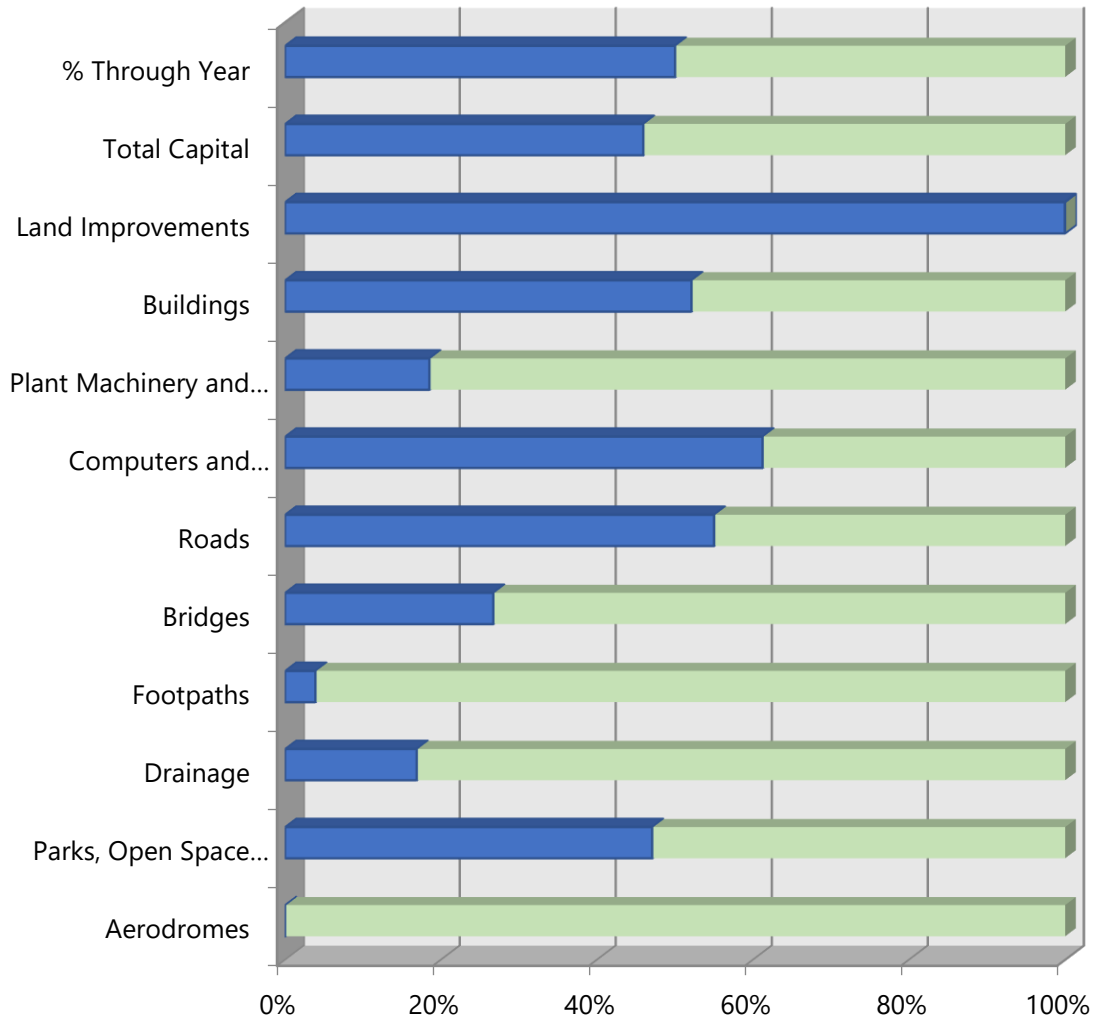
Capital Works as at 31 December, 2023

	Actuals	Forecast Budget	Adopted Budget	Forecast vs Adopted \$	% of Forecast used
Property					
Land Improvements	192,838	192,900	-	192,900	100.0%
Buildings	1,588,516	3,048,475	1,731,400	1,317,075	52.1%
Total Property	1,781,354	3,241,375	1,731,400	1,509,975	55.0%
Plant Machinery and Equipment	178,327	963,385	941,000	22,385	18.5%
Computers and telecommunications	38,381	62,700	62,700	-	61.2%
Total Plant and Equipment	216,707	1,026,085	1,003,700	22,385	21.1%
Roads	3,680,170	6,691,177	5,105,984	1,585,193	55.0%
Bridges	667,419	2,499,524	924,000	1,575,524	26.7%
Footpaths	6,113	157,200	262,000	(104,800)	3.9%
Drainage	27,012	160,000	80,000	80,000	16.9%
Waste management	-	-	715,000	(715,000)	0.0%
Parks, Open Space and Streetscapes	1,353,584	2,875,938	2,060,000	815,938	47.1%
Aerodromes	-	186,490	-	186,490	0.0%
Total Infrastructure	5,734,297	12,570,329	9,146,984	3,423,345	45.6%
Total Capital Works Expenditure	7,732,359	16,837,789	11,882,084	4,955,705	45.9% ¹

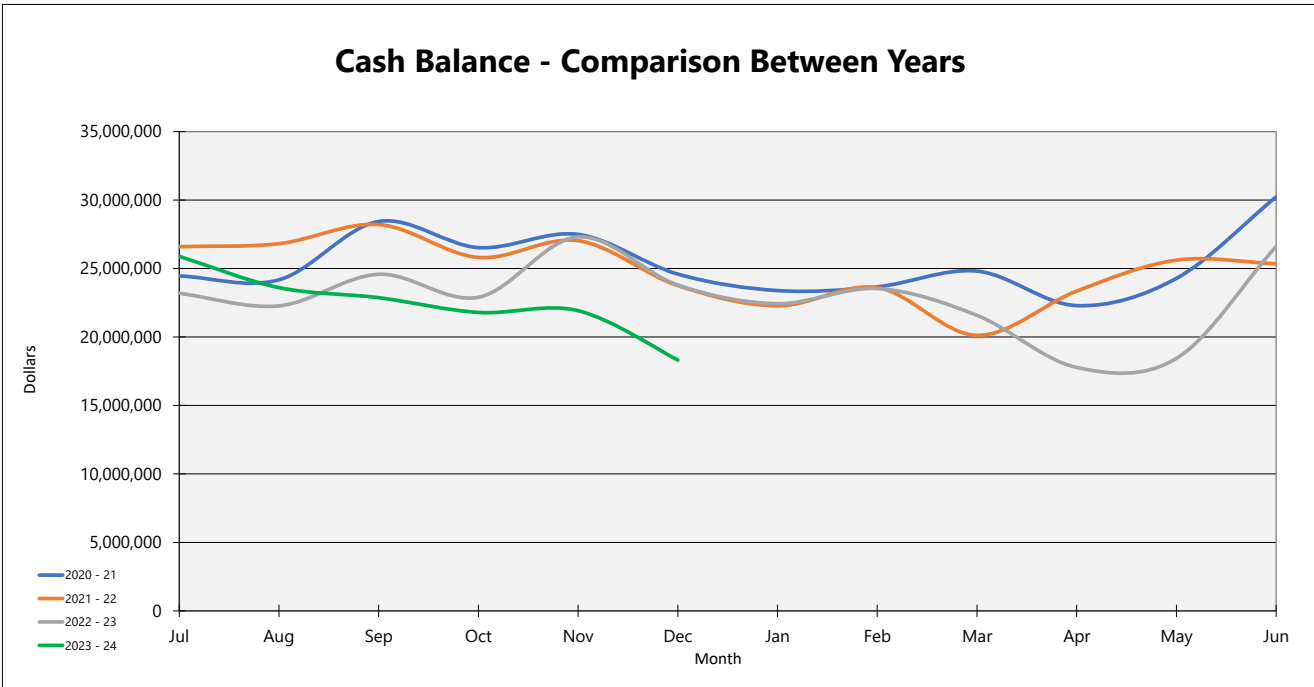
Notes:

- ¹ Forecast has reduced by \$4.68M from last report due to \$3.56M of adjustments for LRCI Round 4 (\$670K), Sloane St Sewer Pump (\$143K), Ord St School Crossing (\$220K), Minyip-Banyena Rd - Grant (\$395K), Sloan St Blackspot funding (\$1.9M), offset by \$8.3M of projects moved to next financial year.

Capital & Project Expenditure Progress



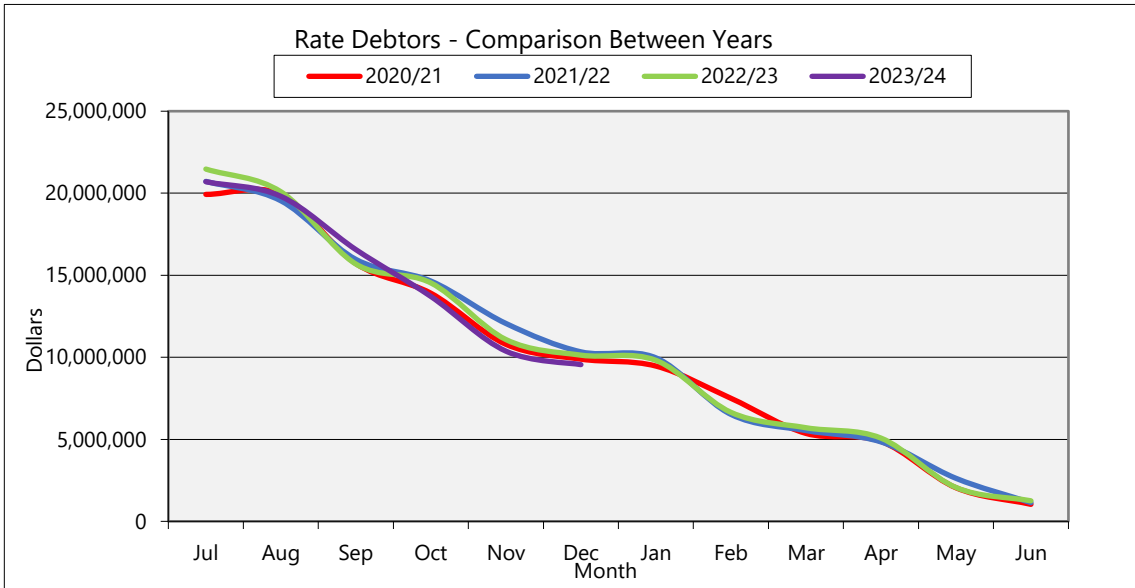
Cash and Investments as at 31 December, 2023



Total Cash Balance at Month End

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019 - 20	18,642,143	18,424,373	20,885,437	20,496,673	22,711,437	22,520,759	21,226,659	23,831,676	21,993,073	19,771,946	25,394,596	27,206,212
2020 - 21	24,458,405	24,173,971	28,436,358	26,525,969	27,490,366	24,592,324	23,388,847	23,663,702	24,811,535	22,290,630	24,280,838	30,230,677
2021 - 22	26,594,594	26,813,020	28,211,375	25,807,441	27,033,930	23,750,045	22,274,406	23,607,188	20,121,050	23,354,913	25,609,380	25,346,744
2022 - 23	23,190,093	22,271,414	24,579,815	22,898,950	27,307,669	23,789,682	22,432,629	23,536,006	21,579,899	17,776,702	18,436,519	26,623,024
2023 - 24	25,886,555	23,604,567	22,870,042	21,790,099	21,921,632	18,310,356						

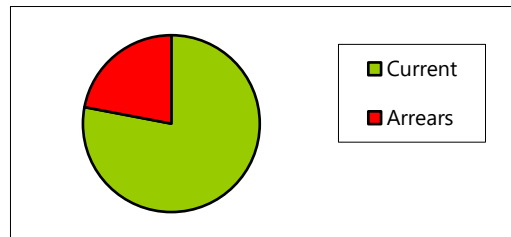
Debtors Reports as at 31 December, 2023



Rates Debtors YTD

Current
Arrears
Total

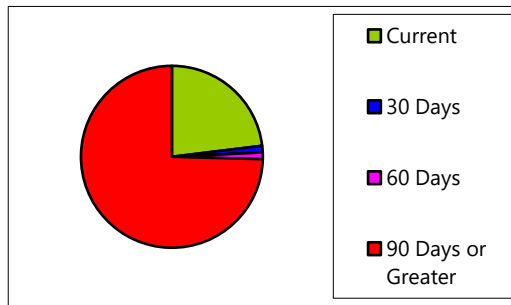
	\$	%
Current	7,450,830	78%
Arrears	2,102,422	22%
Total	9,553,252	100%



Sundry Debtors YTD

Current
30 Days
60 Days
90 Days or Greater
Total

	\$	%
Current	78,516	23.1%
30 Days	4,024	1.2%
60 Days	3,996	1.2%
90 Days or Greater	253,906	74.6%
Total	340,443	100%



Details:

Current

\$15k invoice for library donation and a \$17k invoice for HACC services. Neither are overdue.

90 Days or Greater

\$177k series of invoices related to wind farm rates in lieu instalments not due yet (full year amount invoiced at the start of the financial year) and a long standing cemetery debt of \$57k.

Loan Report - Budget 2023/24

Borrowing Principles:

Indebtedness

Our level of debt will not exceed 60% or \$12.1 million of rates and charges revenue.

Indebtedness Calculation Check 4.9% ✓

Debt Servicing Costs

Our level of annual debt servicing costs (principal plus Interest) will not exceed 5% or \$2 million of our total operating revenue.

Debt Servicing Calculation Check 0.1% ✓

Loans Budgeted 2023/24

Principal

	\$000's
Loans Outstanding as at 30 June, 2023	1,000
Add proposed new loans 2023/24	-
Less scheduled repayments 2023/24	0
Loans Outstanding as at 30 June, 2024	1,000

Expiry of Existing Loans

	Expiry	Current Balance \$000's
Loan 20	Jun-26	1,000
		1,000

Councillor Reimbursements - July to December 2023

Posting Date	Name	Description	Amount
28/08/2023	E R Ostarcevic	Multiple trips with logbook	7,436.88
19/12/2023	L P Dempsey	travel to Melbourne for MAV conference using personal vehicle	358.56
18/12/2023	R J H Haswell	Parking Reimbursement	75.00
23/10/2023	K A Erwin	Accommodation for MAV Conference	719.00
			8,589.44

Council Expenses Policy

Council Policy

August 2020




Northern Grampians Shire Council
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Council Expenses Policy



Council Policy

Responsible director	Director Corporate Services
Responsible officer	Manager Governance & Civic Support
Functional area	Governance
Date adopted by Council	July 2020
Review date	July 2024

Purpose

To provide guidance on the reimbursement of out of pocket expenses and provision of support for councillors and members of delegated committees of council to enable them to perform their duties and to ensure that they are not financially or otherwise disadvantaged in undertaking their official council duties. Guidance is also included on entitlements, the process for reimbursement and reporting requirements.

Background

Councillors and delegated committee members are to be supported in undertaking their duties by assuring that reimbursement of expenses and access to resources and support are provided in an equitable manner to cater for their full participation in council business, while also recognising individual needs and circumstances.

s.40 Local Government Act 2020

Council must reimburse a councillor or delegated committee member for out of pocket expenses which the council is satisfied;

- are bona fide expenses; and
- have been reasonably incurred in the performance of the role of councillor or delegated committee member; and
- are reasonably necessary for the councillor or delegated committee member to perform that role.

s.41 Local Government Act 2020

Council must adopt and maintain an expenses policy in relation to the reimbursement of out of pocket expenses for councillors and members of delegated committees.

s.42 Local Government Act 2020

A council must make available to the Mayor and councillors the resources and facilities reasonably necessary to enable them to effectively perform their role.

Recognising the leadership role of the Mayor, the policy also provides for some additional resources and facilities specific to that office.

The basic test that will be applied to determine whether or not an expense is lawfully incurred is whether the expenditure is necessary because it is supplemental or incidental to or consequent on the exercise of council functions.

The payment and/or reimbursement of expenses and provision of support must only be for the actual cost of legitimate business and not for time and effort spent in performing these duties.

Policy

Council will make available the following support to councillors and delegated committee members in the discharge of their duties.

1 Allowances

1a Councillor and Mayoral allowances

Section 39 of the *Local Government Act 2020* (the Act) provides that a Mayor and councillor are entitled to receive from the council the payment of allowances in accordance with a Determination of the Victorian Independent Remuneration Tribunal under the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019*.

If a councillor fails to take or complete councillor induction training and make a written declaration as required by section 32 of the Act, the councillor's allowance will be withheld until the councillor has completed induction training and made the written declaration.

A councillor is entitled to receive any allowance that is withheld after the councillor has taken or completed the induction training and made a written declaration.

1b Remote Factor Allowance

Council will pay a remote travel allowance as per the relevant Order in Council as amended from time to time to councillors to provide compensation for the time spent on long distances.

2 Travel Expenses and Arrangements

2a Travel expenses

Council will meet the reasonable travel, accommodation, meals, fees and expenses incurred by and associated with councillors and delegated committee members travelling for official council purposes, as approved by the Chief Executive Officer and within the limits of the budget approved by council.

2b Motor vehicles

Council will provide the Mayor with unrestricted private use of a vehicle of a type and for a period of use as described in council's Pool Vehicle Policy which is reviewed from time to time.

The unrestricted private use is also extended to include the use by the Mayor's partner/spouse.

Council will provide a pool of cars for use for council business. All pool cars will be provided with a fuel card for petrol or oil purchased.

It is expected that councillors and delegated committee members arrange to use a council vehicle for all council related travel. Pool cars are usually available for this purpose.

2c Interstate and international travel

Approval is required for all councillors and delegated committee members undertaking discretionary trips and interstate travel and attendance at conferences.

All interstate travel undertaken by councillors or delegated committee members must be in accordance with the achievement of the council's corporate objectives and goals. Approval of interstate travel is given by the Mayor, in consultation with the Chief Executive Officer.

All international travel undertaken by councillors and delegated committee members must be in accordance with the achievement of the council's corporate objectives and goals and approved by a resolution of the full council.

Air travel will be by economy class with bookings and payment to be made by the council.

Council maintains a register of details and costs relating to all overseas and interstate travel undertaken by councillors and delegated committee members (with the exception of interstate travel by land for less than three days) which it makes publicly available on its website.

Councillors and delegated committee members must ensure that details on travel expenses are provided to the Manager Governance & Civic Support within seven days of return from travel.

2d Partner travel

The costs of a partner accompanying a Mayor on a business trip (within Victoria) will be borne by council.

The costs of a partner accompanying a councillor or a delegated committee member on a business trip must be borne by the councillor or delegated committee member unless there is a bona fide business purpose or necessity for the presence of the partner.

Costs associated with the travel, accommodation and incidentals for the partner must be approved in writing by the Chief Executive Officer prior to departure.

2e Use of private vehicles

Where use of a council vehicle is impractical or none available, an allowance will be paid to councillors and delegated committee members for use of their own vehicle in accordance with the Australian Tax Office rates as varied from time to time. The travel must be in the course of conducting official council business.

It is expected that all travel be by the most direct route and vehicles shared where more than one councillor or delegated committee member attends the same function.

Where a councillor or delegated committee member uses their car to attend an approved interstate meeting, conference, seminar or engagement the total claim for use of a vehicle shall not exceed the cost of air travel and transfers.

2f Car parking/public transport/taxi charges

Council will reimburse the costs of car parking, public transport and taxi charges incurred while conducting council business on the basis of original receipts and relevant details regarding the purpose, date and time of the meeting or function.

3 Training/development/conferences and seminars

Council recognises the need for councillors and delegated committee members to attend seminars, conferences, professional development and training in order to be kept fully informed on all local government matters and to assist them to perform their roles.

Council will meet all reasonable costs incurred for transport, accommodation, registration fees, meals, car hire and associated expenses that are related to performing their duties within the limits of the annual budget.

Where a councillor or delegated committee member nominates to attend a conference, workshop or training relevant to their role as a councillor or delegated committee member, approval needs to be sought from the Chief Executive Officer. Attendance at interstate and overseas conferences is subject to council approval as detailed in point 2d.

Any additional costs as the result of the attendance at seminars, conferences, professional development and training of partners shall be borne by the councillor and delegated committee member.

4 Carer and dependant-related care expenses

Council will provide reimbursement of costs where the provision of childcare is reasonably required for a councillor or delegated committee member to perform their role (s.41(2)(c))

This applies to the care of a dependent, while the councillor or delegated committee member is undertaking their official duties.

Council must have particular regard to the support that may be required by a councillor or delegated committee member who is a carer in a care relationship within the meaning of section 4 of the *Carers Recognition Act 2012*, to perform their official duties, namely:

Council will provide reimbursement of costs where the provision of *carer services* is reasonably required when a councillor or delegated committee member who is a carer (s.41(2)(d)), namely—

- a. Where the councillor or delegated committee member provides another person, or receives from another person, care because one of the persons in the relationship—
 - i. has a disability; or
 - ii. is older; or
 - iii. has an ongoing medical condition (including a terminal or chronic illness or dementia).
- b. Where—
 - a. an individual has custody and guardianship of a child under a permanent care order;
 - b. a child is placed with an individual who provides care to that child under a protection order.

Care expenses may comprise hourly fees, agency booking fees and/or reasonable travelling expenses and be reimbursed for attending—

- a. council meetings and council business related to council meetings;
- b. council functions;
- c. delegated committee meetings;
- d. other committee meetings where approved by the Mayor or Chief Executive Officer;
- e. meetings arising as a result of a councillor being appointed by the council to an external body.

Payments for carer and child care services will not be made to a person who resides with the councillor or delegated committee member; has any financial or pecuniary interest with the councillor or delegated committee member; or has a relationship with the councillor, delegated committee member or their partner.

5 Civic support, facilities and equipment

5a Civic entertainment

All official civic entertainment expenses will be met from the annual allocation approved as part of the council's budget.

All formal civic entertainment functions will be co-ordinated by the Governance & Civic Support Team and must have prior approval of the Mayor.

Councillors and delegated committee members will be reimbursed reasonable expenses incurred while entertaining visiting dignitaries or council business guests on behalf of council, including the reasonable costs of non-alcoholic drinks accompanying a meal and reasonable expenses for partners. The Mayor must give prior approval to any such entertainment.

5b Meals and refreshments

Council will provide reasonable refreshments during meetings on council business and reasonable meals where council or delegated committee meetings are to be held over extended periods or are likely to have a late conclusion time, at the discretion of the Chief Executive Officer and/or Mayor.

The nature of the meal and refreshments shall depend on the nature of the meeting, the timing and attendees and all arrangements are made by the Governance & Civic Support Team.

5c Office space

Council will provide suitably furnished and equipped offices in the Stawell and St Arnaud Town Halls for use by the Mayor. The Mayor will be provided with access to the offices and Town Hall buildings.

Council will provide suitably furnished meeting areas in the Stawell and St Arnaud Town Halls for use by councillors and committee members if required.

The Mayor and councillors will be issued with a council key card to access the Town Halls for business related purposes.

5d Secretarial support

Administrative support for work directly related to the duties of Mayor, councillor or delegated committee member will be provided by the council's Governance & Civic Support Team. Customer service staff are also available at the Stawell and St Arnaud Town Halls to assist during normal office hours.

5e Stationery

Council shall upon request provide councillors and delegated committee members with standard council stationery and office equipment which may include, but not necessarily be limited to, business cards, copy paper, etc. Each councillor will be provided with a name badge.

5f Credit card

Council has a corporate credit card facility and arranges for a corporate credit card to be issued to the Mayor when elected (\$5,000 monthly limit). The card is not authorised for cash advances.

The use of the card is to be in accordance with the [Credit Card Policy](#) and associated procedure.

5g Apparel

Council shall, upon request, make available on loan protective clothing required to assist in carrying out the duties of office. This clothing is to be returned promptly upon the completion of the activity/duty for which the articles were required.

The clothing shall be limited to clothing held in store to meet the organisation's requirements, unless otherwise resolved by council for a specific item(s).

5h Insurance

Council must indemnify and keep indemnified each councillor and delegated committee member against all actions or claims whether arising during or after their term of office in respect of anything necessarily done or reasonably done or omitted to be done in good faith in the performance of their council duties.

Council holds various other insurances including personal accident and motor vehicle (while driving council owned vehicles). All policies have terms, conditions, exclusions and deductibles and specific information can be obtained by contacting the Manager Governance & Civic Support.

Council will pay any applicable policy excess in respect of claims made against a councillor or delegated committee member arising from council business where any claim is accepted by council's insurers, regardless of the outcome.

5i Legal costs

Council will only meet legal expenses incurred as a result of a councillor or delegated committee member executing their official duties.

If a councillor or delegated committee member requires legal advice in connection with his or her functions as a councillor or delegated committee member:

1. The councillor may submit a Notice of Motion requesting that council facilitate and fund such legal advice.
2. The Chief Executive Officer may facilitate a request from a delegated committee member through a council report.
3. The Chief Executive Officer may facilitate legal advice and confirm that council will meet expenses when:
 - a. appropriate to do so taking into the consideration the same criteria used by council (below)
 - b. The requirement for legal advice cannot be deferred until the lodgement or consideration of a Notice of Motion or a report to council.
4. Council will evaluate any requirement by a councillor or delegated committee member for legal advice against the following criteria:
 1. the extent to which the subject matter of the advice required relates to his or her functions as a councillor or delegated committee member;
 2. the extent to which the subject matter of the advice required relates to a matter before council or the councillor's/committee members representative role as a councillor/delegated committee member;
 3. the extent to which the subject matter of the advice required will or is likely to be of interest to all councillors or committee members;
 4. the public interest;
 5. any other relevant considerations.
4. In the event that legal advice relates to a writ, action or pending action against a councillor or delegated committee member, he or she must supply a copy of the writ or action or provide the information which may lead to an action, to the Chief Executive Officer, who will advise council's insurers as soon as possible, in accordance with council's insurance policy conditions.
5. Unless VCAT orders otherwise a council must pay the legal costs of individual councillors in conduct hearings into alleged misconduct, but only where council has made the application to VCAT or has requested to be a party to a matter in VCAT.

5j Disability

Council must consider any additional facilities, support and associated expenses that may be required by a councillor or delegated committee member to perform their civic duties because of a disability.

5k Councillors with cultural needs

Council will endeavour to meet any specific cultural needs of councillors and delegated committee members.

5l Communications and information technology expenses

Council will provide the following facilities and communications to councillors and delegated committee members as determined to be necessary to perform their official duties:

- email address
- website profile
- an ipad with internet connection, appropriate software and email access
- training/education in use of equipment as required
- Help Desk and IT support

Councillors will enter into a BYOD arrangement for mobile phones where they are either issued with a work sim for unrestricted use by council or use their own sim and receive reimbursement for work usage.

Computer use is subject to council's policies for use of email and internet facilities, including privacy.

All facilities provided remain the property of the council and must be returned at the end of the term of office unless alternative arrangements are agreed to by the Chief Executive Officer.

Council will include information on its website about councillors and delegated committee members including contact details and useful links to facilitate participation and access between council and the community.

6. Exclusions

6a Expenses not covered

Expenses incurred by councillors or delegated committee members for the following will not be paid for or reimbursed by council and shall be the responsibility of the individual councillor and delegated committee member unless approved by a resolution of council in each instance :

- legal expenses except where related to an insurance claim
- penalties for breaches of road, traffic, parking or other regulation or law.

6b No offset

If a councillor or delegated committee member does not claim a particular expense or use a particular facility the resultant savings cannot be offset against a claim for an additional amount of some other expense or facility.

6c Other

Claims for expenses other than those included in this policy will not be reimbursed, except in exceptional circumstances after approval by the Chief Executive Officer.

Councillors must ensure that benefits contained within this policy are not used as part of any election campaign.

7. Accountability

7a Claims for reimbursement

Council will reimburse a councillor or delegated committee member for reasonable bona fide out-of-pocket expenses incurred while performing their duties. No reimbursement for the purchase of alcohol will be approved.

Councillors must complete the councillor reimbursement request form (elementORG) and include strong evidence of why the expense was incurred. The form includes the ability to upload photographs of documentary evidence, eg receipts and tax invoices. Councillors must also certify that the expense was incurred in the course of performing their role as a councillor and is in line with legislative provisions and council policy. There is guidance within the form for calculation of travel and mileage claims and rates. There is also an option in the request process to nominate the bank account into which the reimbursement is to be deposited directly by the Finance Team.

Requests for reimbursement by delegated committee members must be in writing (email) and accompanied by evidence of why the out of pocket expense was necessary. Payments will be deposited directly into a nominated account by the Finance Team on approval.

All claims for the reimbursement of expenses will be approved or denied by the Chief Executive Officer.

Claims for reimbursement must be timely and claims in excess of three months after the expenditure being incurred will not be processed.

Where the expense incurred is in excess of \$50, councillors and delegated committee members must obtain a GST 'Tax Invoice' for inclusion with their claim.

7b Reporting

Council will provide quarterly reports of all councillor and delegated committee member expenses to the Audit and Risk Committee to include:

- a. expenses incurred during the quarter;
- b. reimbursement claims made during the quarter;
- d. reimbursements made during the quarter; and
- d. any breaches of the policy.

Council will report in its Annual Report on expenses paid to councillors and delegated committee members for the categories of travel, car mileage, childcare, ICT, conferences and training expenses.

Council Plan Objective/Strategy

The aims or objectives of the policy are aligned with council's Council Plan objectives and strategies.

Legislation and Standards

Local Government Act 2020

Carers Recognition Act 2012

Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019

NGSC Gifts, Benefits & Hospitality Policy

NGSC Councillor Code of Conduct

NGSC Election Period Policy

NGSC Governance Rules

Responsibilities

The Director Corporate Services and Manager Governance & Civic Support are responsible for the development and management of this policy.

Stakeholders

Councillors and members of delegated committees are directly affected by this policy. The policy also applies to members of a joint delegated committee as this type of committee is created by existing delegated committees from each of the councils forming the joining delegated committee.

Governance and Finance staff are responsible for implementation and compliance monitoring and were consulted during the development and revision of this policy and associated procedures.

Review

The Executive Leadership Team is to review this policy after each general election of the council with suggested revisions to be submitted to the council for consideration and adoption. Operational amendments may be made as required between review periods in accordance with council/ELT approval.

Council commits to monitoring processes and decision making to understand the overall success of the policy's implementation.

Communication and implementation

The policy will be communicated to councillors, delegated committee members and relevant staff and will be available on Docs on Tap and EDRMS.

The policy is referred to in the councillor induction and development program. The policy will be published on council's website and a copy made available at council offices on request.

References

In preparing this policy, the intent of the following governance principles prescribed in the Act were considered:

- a. priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- b. the ongoing financial viability of the council is to be ensured;
- c. the transparency of council decisions, actions and information is to be ensured.

The following resources were used for the development of the policy and provide further information:

- *DPCD Information Guide Mayor & Councillor Entitlements November 2008*
- *Recognition and Support, the Victorian Government's Policy Statement on Local Government Mayoral & Councillor Allowances & Resources April 2008 (Recognition and Support)*
- *Fraud and Corruption Control - Local Government, VAGO 2019*

Privacy and Data Protection compliance

The confidentiality of personal and payment details of any reimbursements is maintained through restricted access in council's elementORG and electronic records document systems in line with the *Victorian Protective Data Security (VPDSS) Framework*.

Gender Equality Act 2020 compliance

The payment of expenses and provision of facilities and support provided by the council are relevant to all councillors and committee members equally, regardless of gender. This supports persons of all gender to take up roles as councillors and committee members and ensures women are not inadvertently disadvantaged, having given consideration of care roles equality.

Charter of Human Rights compliance

This policy has a positive impact on the human right to *take part in public life* identified in the *Charter of Human Rights & Responsibilities Act 2006*.

Definitions

bona fide expenses are necessary and reasonable costs and would include fuel costs, train and taxi fares, food and non-alcoholic beverages, parking tickets

care provision of ongoing support, assistance or personal care to another person

carer as defined under section 4 of the Carers Recognition Act 2012

delegated committee a delegated committee established by council under s.63 of the Act to exercise powers, duties or functions delegated by a council

duties as a councillor

duties performed by a councillor that are necessary or appropriate for the purposes of achieving the objectives of a Council having regard to any relevant Act, regulations, Ministerial guidelines or council policies

duties may include (but are not limited to) attending meetings and briefings, workshops, civic events or functions convened by council, conferences, workshops and training programs related to the role of councillor or Mayor and duties relating to constituents concerning council business

in a care relationship

within the meaning of section 4 of the Carers Recognition Act 2012

joint delegated committee

a delegated committee of two or more councils that have resolved to establish the joint delegated committee under s.64 of the Act, to exercise any power of a council

role of a councillor

participate in decision making; represent the local community; contribute to strategic direction; advocate on a broad range of issues; manage organisation and community assets

Review history

Date	Review details	Action
June 2020	Policy developed	Included new requirements of LGA 2020
15 June 2020	Reported to ELT	Approved
3 August 2020	Reported to council	Adopted