

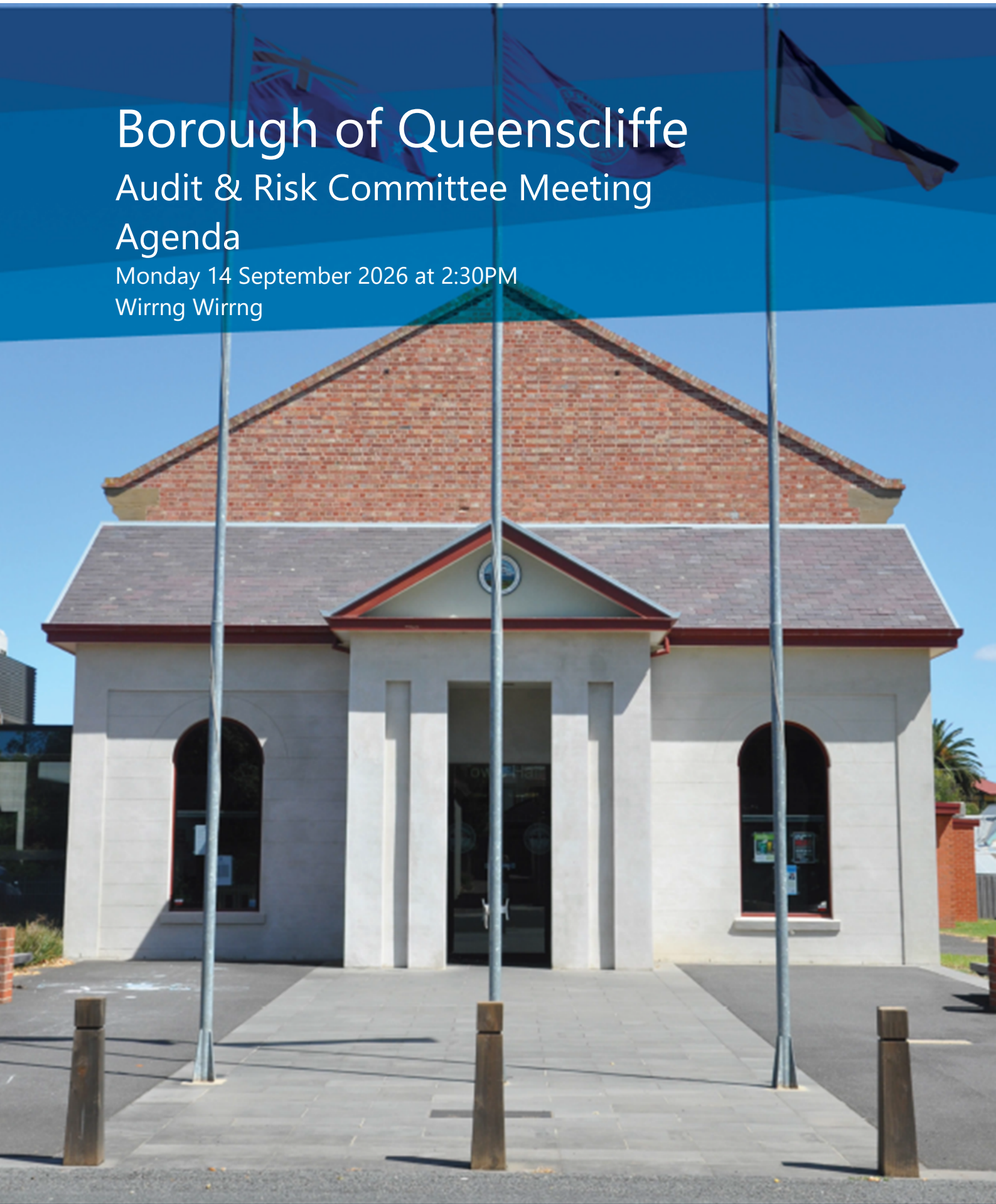
Borough of Queenscliffe

Audit & Risk Committee Meeting

Agenda

Monday 14 September 2026 at 2:30PM

Wirrng Wirrng



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia



Acknowledgement of Country

This meeting is being held on the traditional lands of the Wadawurrung people, we wish to acknowledge them as the traditional custodians and pay our respects to their elders past and present. We extend that respect to all members of our community.



Distribution List

Committee Members

Cr Donnie Grigau, Mayor

Cr Isabelle Tolhurst

Richard Davies (Chair)

Rebecca Brezzi

Richard Bull

Michael Tehan

Officers

Jane Grover, Chief Executive Officer

Gihan Kohobange, Manager Finance & ICT Services

Jenni Walker, HR & Governance Coordinator

Belinda Bennett, HR & Organisational Development Advisor

Invitees

Internal Audit Provider: RDS

Kathie Teasdale, Engagement Partner

Paul Harrison, Internal Audit Manager

External Auditors: Victorian Auditor-General's Office (VAGO)

Anoja Bandara – Financial Audit

Apologies

Paul O'Leary, Coordinator Business Systems & Transformation



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1. Committee In-Camera Session

The Committee, along with the external and/or internal auditors meet for 30 minutes prior to the meeting in-camera, without officers.

2. Opening of Meeting

This meeting is being held on the traditional lands of the Wadawurrung people, we wish to acknowledge them as the traditional custodians and pay our respects to their elders past and present. We extend that respect to all members of our community.

3. Present & Apologies

The Chair will note who is present and call for apologies.

4. Conflict of Interest Disclosures

Councillors and Members of the Audit & Risk Committee must disclose a conflict of interest in accordance with section 130 of the *Local Government Act 2020*.

Independent Members & Councillors:

Officers:



5. Previous Audit & Risk Committee Meetings

5.1. Audit & Risk Committee Meeting 15 June 2026

A copy of the minutes from the Audit & Risk Committee Meeting 15 June 2026 is attached.

RECOMMENDATION

That the minutes of the Audit & Risk Committee Meeting 15 June 2026, as distributed, be confirmed as an accurate record.

Attachments

1. Audit Risk Committee Meeting - 15 June 2026 - Minutes [5.1.1 - 15 pages]

5.2. Business Arising from Audit & Risk Committee Meeting on 15 June 2026

Item	Action	Status
15 June 2026 6.1. Progress on Open Audit Recommendations	That the officers will provide an updated summary to the next committee meeting on the current relevance of outstanding audit recommendations with low-risk rating, including any that may no longer be pertinent due to changes in processes or systems.	Completed. Included under item 6.1
15 June 2026 6.2. Internal Audit Review	Financial sustainability internal audit report to be shared with the newly created financial advisory committee. RSD will liaise with the CEO to determine the best approach for this information sharing.	Completed. Report was shared with the Finance Committee on 30 June 2026 (by the Chair of the Finance Committee, Cr Tolhurst)
15 June 2026 7.6. Risk Management Framework	Audit & Risk Committee in the risk management process of Council, including referencing the	Completed.



Item	Action	Status
	Audit & Risk Committee as "independent," and finalise changes out of session through the Chair.	Approved by the Chair on 19 June 2026.
15 June 2026 10.1. Other Information to Note	That VAGO will report back to the Committee through the CEO regarding the VAGO report on governance matters appointing municipal monitors to some Councils to identify any relevant learning for the Borough of Queenscliffe.	VAGO provided an update on 3 September 2026.

RECOMMENDATION

That the table above be confirmed as an accurate record.



6. Internal Audit

Background

Council's annual budget provides for two internal audit reviews to be conducted during the year, with the internal audit service provider reporting through to management and the Audit & Risk Committee at scheduled meetings in June and December of each year.

6.1. Progress on Open Audit Recommendations

Presenter: Manager Finance & ICT Services

A summary of the current outstanding internal audit recommendations is provided below:

Review	Period	Audit Recommendations				
		No. in the original IA report	April 2026	New	Complete	Sep 2026
Management, Oversight and Monitoring of Outsourced Service Provider	May–2021	3	1	-	(1)	-
Asset Management	Aug–2024	9	3	-	(3)	-
Project Management	Sep – 2025	9	6	-	(6)	-
Service Planning	Dec– 2025	7	7	-	-	7
Financial Sustainability	June– 2026	8	-	8	(4)	4
Total			17	8	(14)	11
Analysis based on the risk rating			April 2026	New	Complete	Sep 2026
High			-	-	-	-
Medium			5	3	(1)	7
Low			12	5	(13)	4
Total			17	8	(14)	11



Since the last Audit & Risk Committee meeting, fourteen internal audit recommendations, including one medium-risk recommendation, have been closed.

At its April meeting, the Committee requested officers to provide an updated assessment of the ongoing relevance of outstanding low-risk internal audit recommendations, including consideration of any recommendations that may no longer be pertinent due to changes in processes, systems, or operating practices.

Of the thirteen completed low-risk internal audit recommendations, officers have assessed the following recommendations as effectively closed, notwithstanding that a separate process has not been implemented. This assessment is based on the justifications outlined below.

Recommendation	Reason
Management, Oversight and Monitoring of Outsourced Service Provider (May 2021) Establish a formal/ structured approach to performance monitoring of all outsourced service providers to ensure formal meetings take place on a regular (e.g. monthly or quarterly) basis to discuss overall performance, provide feedback, and highlight any key issues/ actions. These should be formally recorded, together with assigned responsibilities and timeframes for action where appropriate.	Council has a draft Contract Management Guide in place to strengthen contract governance and oversight. Contract performance monitoring requirements have been incorporated into key contracts to ensure service delivery and contractor performance are regularly reviewed. This includes a formal audit process for Council's major service contracts. In addition, Council has appointed a dedicated Contracts Officer, providing increased capacity and oversight for contract management activities across the organisation.
Management, Oversight and Monitoring of Outsourced Service Provider (May 2021) Consider including financial information as part of the periodic performance monitoring/ reporting process.	Contract financial performance is monitored through Council's quarterly financial review processes, particularly during the quarter reviews, especially mid-year budget review, and annual budget development process. These reviews provide an opportunity to assess contract expenditure, identify



Recommendation	Reason
	variances, and ensure financial performance remains aligned with approved budgets and service delivery objectives.
Asset Management (including the Management of Tree Assets) (August 2024) We recommend that Council establish a reporting framework against the asset management plan improvement plans, ensuring regular status updates are completed.	Review of progress against Asset Management Plans improvement actions is incorporated into the Internal Asset Management Committee agenda as a standing item. This ensures that progress is regularly monitored, outstanding actions are tracked, and any issues or delays are identified and addressed in a timely manner.
Asset Management (including the Management of Tree Assets) (August 2024) We recommend Council conduct a review and update of current asset management plans as these are now overdue for review. When conducting these reviews, the identified areas of weakness/improvements should be addressed.	Similar recommendations were identified in the recent Financial Sustainability Internal Audit review. It is considered that this recommendation has effectively been superseded by Recommendation 1, "Asset Budget Allocations", within the Financial Sustainability audit, as the newer recommendation addresses the same underlying issue.

Seven outstanding medium-risk audit recommendations relate to the recently completed internal reviews of service planning (5) and financial sustainability (2).

With support from external expertise, Council has commenced the development of a service review framework, comprehensive service categories, and service plans for prioritised service areas.

Six of the seven outstanding medium-risk internal audit recommendations are directly relevant to the service planning and review initiative. As this work progresses, it is expected to address the underlying objectives of these recommendations.

A summary of outstanding internal audit recommendations assessed as medium risk (with no high-risk items identified) is included in the attachment.



The risk ratings presented in the summary reflect the assessments at the time each internal review was finalised.

RECOMMENDATION

That the Audit & Risk Committee notes the progress on the outstanding actions from previous internal audit recommendations.

Attachments

1. Outstanding internal audit recommendations assessed as medium risk ARC Sep 26 [6.1.1 - 2 pages]

6.2. Scope of the next Internal Audit Review

Presenter: Internal Auditor

Discussion

Attached to this agenda item is documentation prepared by RSD Audit outlining the scope of the next internal audit review scheduled for September/October 2026, covering the review topic, Risk Management.

The review will assess Council's current framework against the risk management principles contained in the International Risk Management Standard ISO31000: 2018 to determine whether the following key items are addressed:

- Risk management is embedded into the entity's corporate values and culture. Council establishes and reviews organisational context (e.g. legislative responsibilities, government policy, organisational goals) and adopts appropriate risk management strategies.
- Risk management is appropriately integrated into governance structures and strategic management processes.
- Effective implementation of risk management processes and practices at Council.
- There is appropriate ownership of risks across the organisation.
- Strategic risk development is completed at an appropriate strategic level at Council and has appropriate linkages to the achievement of strategic plans of Council.
- The risk appetite of the organisation has been appropriately developed and is effective in its application.



- Risks are properly monitored and reported to relevant stakeholders in an appropriate format.
- All key risks are identified, appropriate processes are followed to identify risk tolerance levels, and specific actions have been identified for each risk (where relevant) to mitigate the risk to an acceptable tolerance level.

Officers have reviewed the proposed audit scope to ensure it adequately addresses the associated risks.

In addition, the internal audit status report is attached for the Committee's information and reference. Future internal audit focus areas will be reconsidered upon completion of the Risk Management internal audit review and any resulting recommendations.

RECOMMENDATION

That the Audit and Risk Committee:

1. Confirm and provide feedback on the scope of the planned internal audit review; and
2. Note the provided internal audit status report.

Attachments

1. Internal Audit Scope - Risk Management [**6.2.1** - 6 pages]
2. Internal Audit Status Report - August 2026 [**6.2.2** - 3 pages]



7. Council Financial & Performance Reporting

7.1. Asset Valuation Report 2025–2026

Presenter: Manager Finance & ICT Services

Background

At the 20 April 2026 Audit & Risk Committee meeting officers presented a position paper highlighting the approach Council would adopt to assess whether a material difference exists between the carrying amount and the fair value of its physical assets as at 30 June 2026, in accordance with the requirements of the applicable Australian Accounting Standards.

Discussion

The attached position paper outlines the outcomes of these fair value assessments and the resulting impact on Council's financial position.

Based on the assessments completed, Council has recognised fair value adjustments where the valuation movement was material or where management determined that adjustment was appropriate having regard to the percentage movement and the aggregate impact of unadjusted differences. The remaining asset categories are not expected to result in a material misstatement of Council's financial position as at 30 June 2026.

RECOMMENDATION

That the Audit & Risk Committee notes the Borough of Queenscliffe 2025–2026 Asset Valuation Report.

Attachments

1. FV 30 June 2026 Position paper Sep ARC [7.1.1 - 5 pages]

7.2. Annual Financial Report 2025–2026

Presenter: Manager Finance & ICT Services

Background



The draft Annual Financial Report 2025–2026 (the Financial Report) is included as an attachment to this paper and has been prepared in line with the “Local Government Model Financial Report 2025–26” issued by Local Government Victoria (LGV).

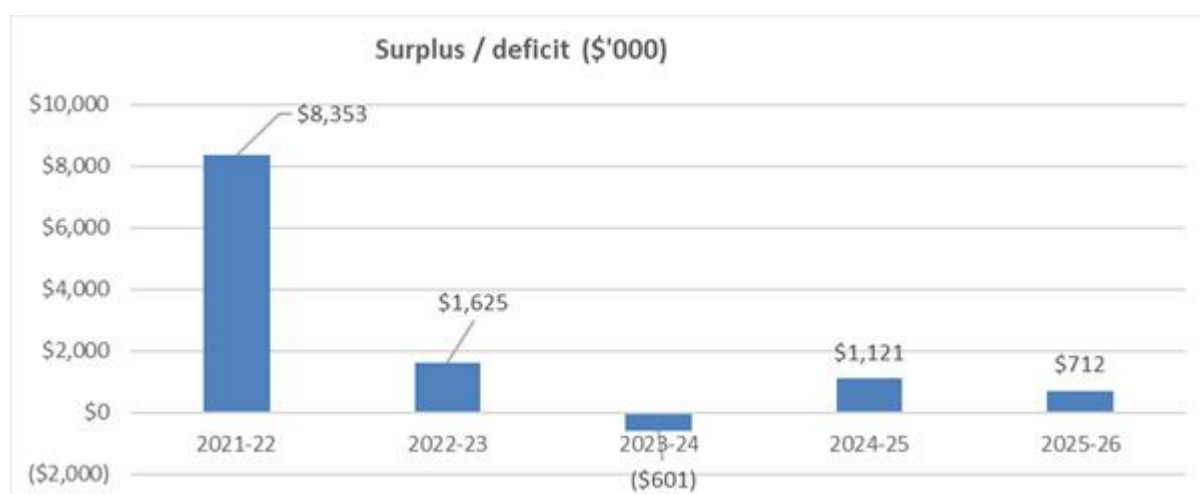
The Financial Report is currently subject to final review by the Victorian Auditor-General’s Office (VAGO), which may result in further changes. The final version of the Financial Report will be recommended to Council for certification and adoption in principle, prior to being forwarded to the VAGO to issue an audit opinion. The Financial Report will then be included in the Borough’s Annual Report 2025–2026.

Discussion

Surplus/(deficit) for the year

Council recorded a surplus of \$0.7 million for the 2025–2026 financial year. After accounting for the revaluation and indexation of land and road assets, the total comprehensive result was a surplus of \$1.7 million. The net asset revaluation gain is an accounting adjustment only and does not affect Council’s cash position or capacity to deliver services.

Further, results for both 2025–2026 and 2024–2025 were influenced by the timing of the Financial Assistance Grant (FAG). In line with accounting standards, FAG income must be recognised in the year it is received, even if the funding is intended for the following financial year.



The reported surplus/(deficit) and comprehensive result in the General-Purpose Financial Statements do not, on their own, provide a complete picture of Council’s financial performance. This is because they include capital income without fully



reflecting the corresponding expenditure, which is significant for a small council such as the Borough of Queenscliffe. A more meaningful measure of ongoing financial performance is the underlying result, which reflects the difference between operating income and operating expenditure.

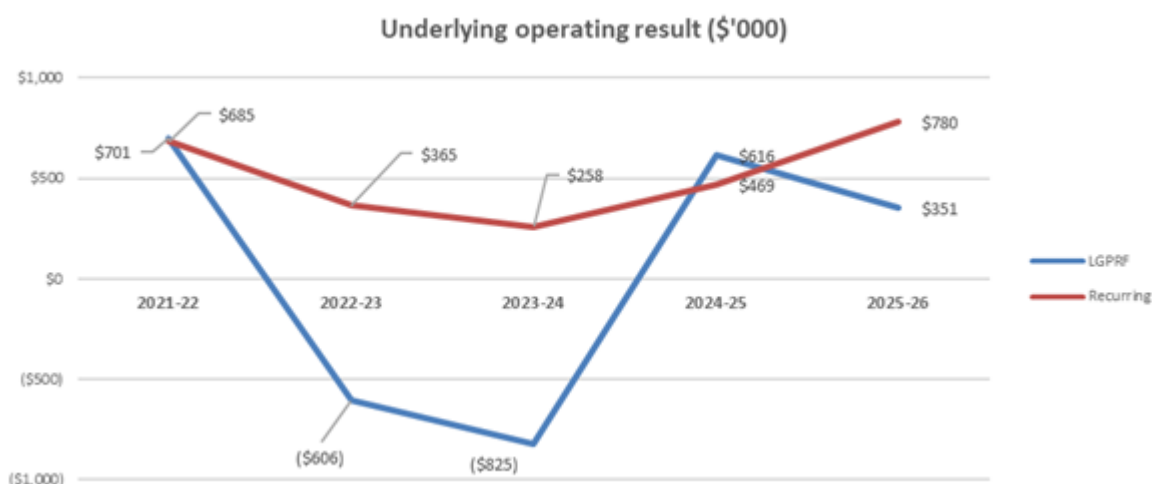
For this reason, Council also reports the underlying result to show its recurring operating position after excluding capital income and other items that can distort year-to-year comparisons.

Underlying result

Under the Local Government Performance Reporting Framework (LGPRF), Council achieved an adjusted underlying surplus of \$0.35 million in 2025–26, compared with a surplus of \$0.62 million in 2024–25. This equates to 2.4% of adjusted underlying revenue and was affected by the early receipt of FAG income.

To better assess ongoing financial performance, it is necessary to adjust for one-off operating items and the timing of recurring grants. This approach, consistent with the Council Plan, enables results to be compared on a consistent basis across years. On this recurring basis, Council's adjusted underlying result for 2025–26 was \$0.78 million, or 6.2% of adjusted underlying revenue, compared with \$0.47 million in 2024–25.

Despite higher cost pressures, total recurring expenses, excluding waste management, increased by only 2.1%, well below prevailing inflation. Recurring income rose by 2.9% when waste management is excluded and FAG income is allocated to the year to which it applies.

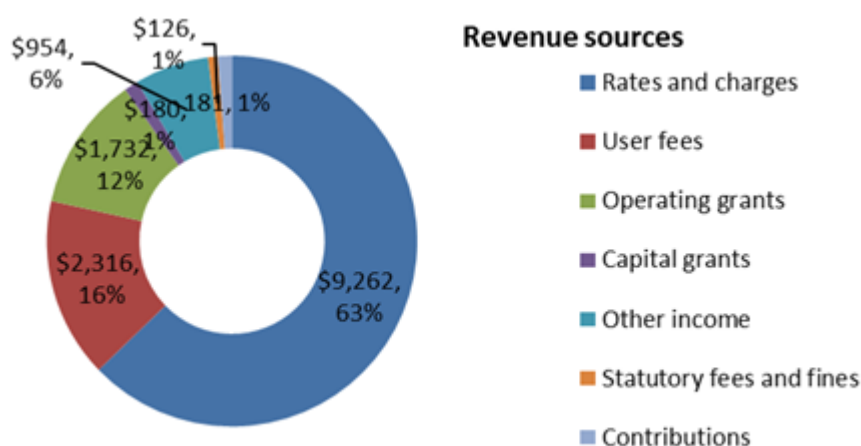




Overall, as shown in the chart above, Council has maintained a stable underlying result on a recurring basis over the past five years, with FAG timing continuing to have a significant influence on reported LGPRF outcomes.

Revenue

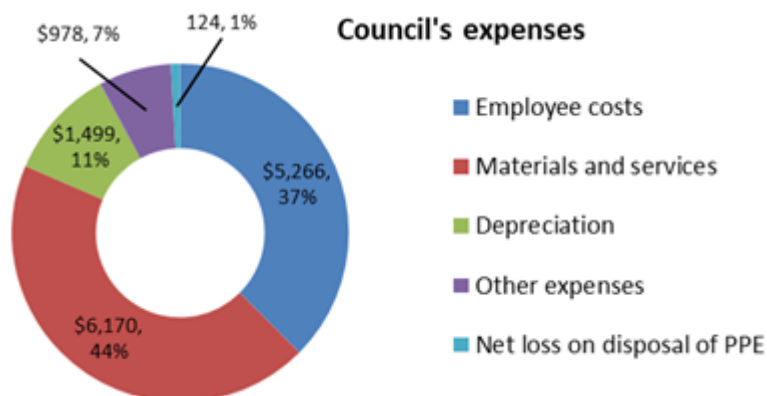
Council's total revenue for the 2025–26 financial year was \$14.8 million, a slight increase from \$14.6 million in 2024–25. This movement was affected by the timing of Financial Assistance Grants (FAGs) in each year. Excluding the impact of FAG timing and non-recurring capital and operating grants, the key drivers of revenue growth compared with 2024–25 were increases in rates within the rate cap, additional income from Council-managed tourist parks, and recognition of \$0.18 million in contributed assets and works.



Operating expenses

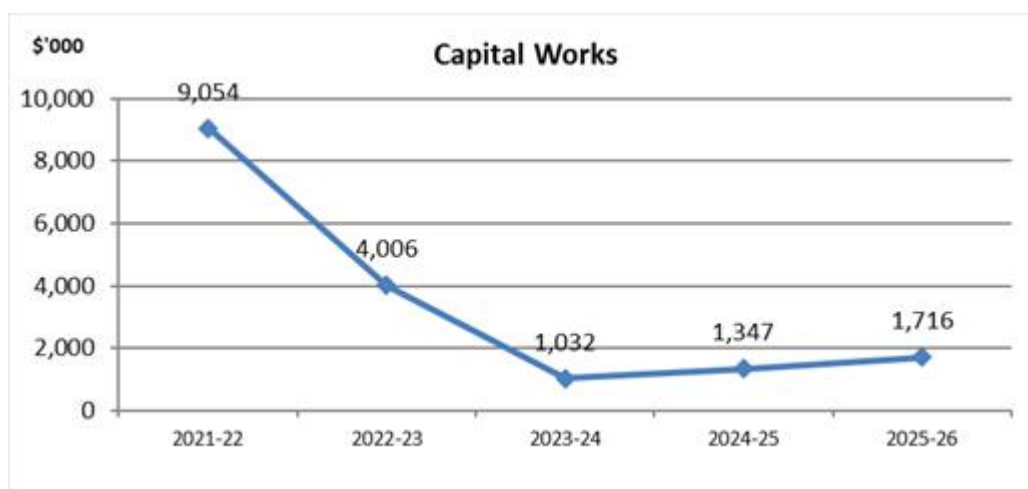
Council's total operating expenses for the 2025–26 financial year were \$14.0 million, an increase from \$13.5 million in 2024–25.

The increase was primarily attributable to higher depreciation expense following the revaluation of building assets completed at the end of the 2024–25 financial year.

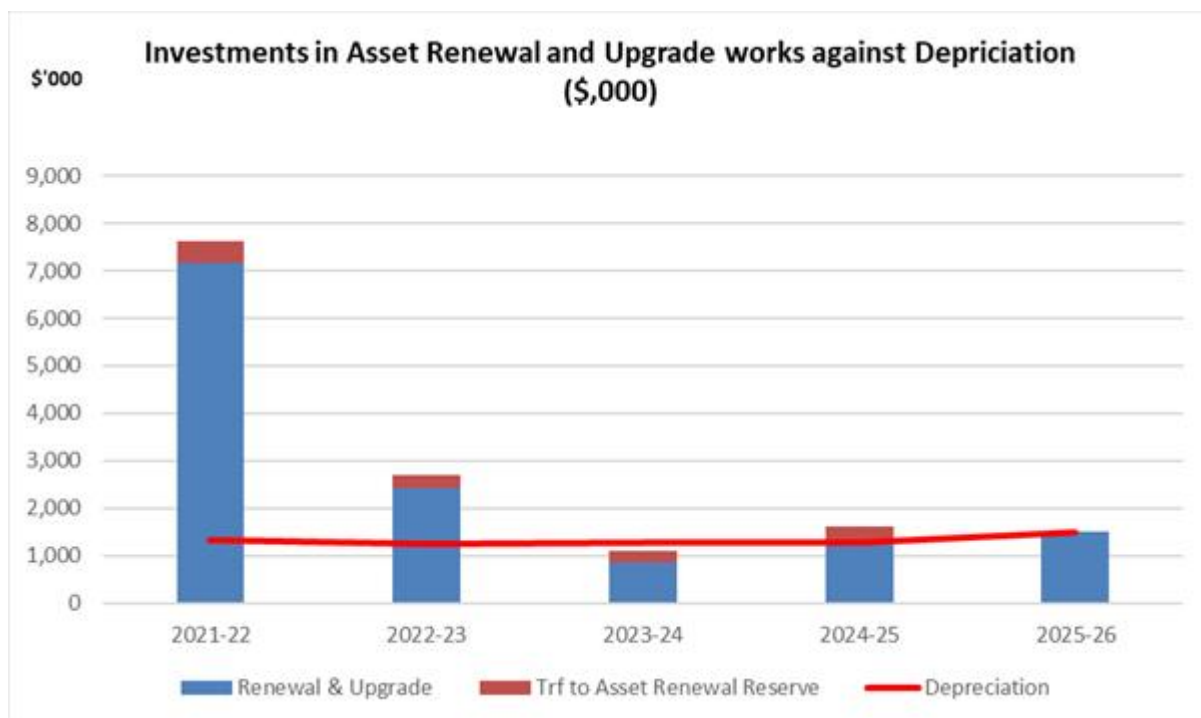


Capital expenditure

Council invested \$1.7 million in capital works during 2025–26, against a budget of \$3.0 million. Some major projects were deferred due to scope changes and approval processes. Total investment in asset renewal and upgrade works was \$1.5 million, in line with the year's depreciation expense of \$1.5 million.



Council has been transferring the unspent portion of its annual asset renewal allocations, at a minimum each year, into the asset renewal reserve to fund future asset renewal works.



Total assets

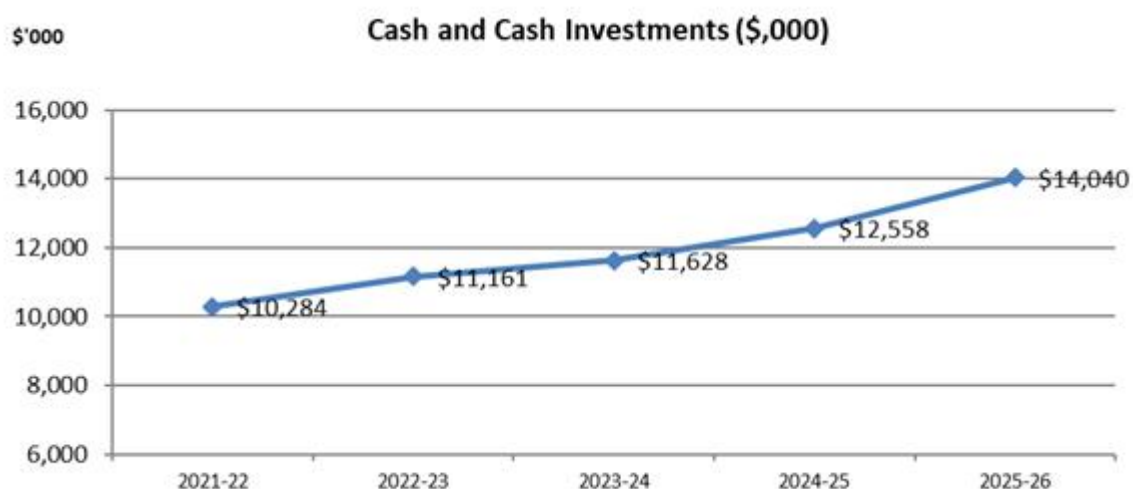
As at 30 June 2026, Council's total asset base was \$184.4 million. The majority of these assets comprise property, infrastructure, plant and equipment, and cash and cash investments.

Together, these categories represent 99.5% of Council's total assets. Property, infrastructure, plant and equipment are valued at \$169.5 million, including \$91.4 million in Crown land and land under roads managed by Council, and \$27.4 million in freehold land owned by Council.

Liquidity

Council's cash and cash equivalents, together with short-term cash investments with maturities of 3 to 12 months and long-term cash investments with maturities greater than 12 months, increased to \$14.0 million in 2025–26.

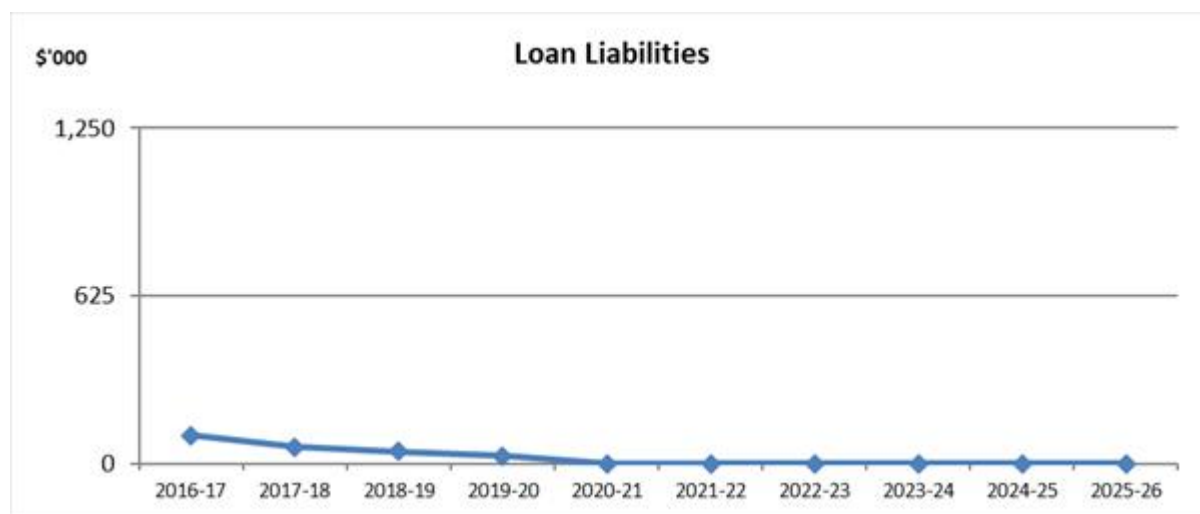
Of this amount, \$7.1 million is restricted, including \$3.5 million from the Murray Road land sale, leaving \$6.9 million in unrestricted reserves.



Liabilities

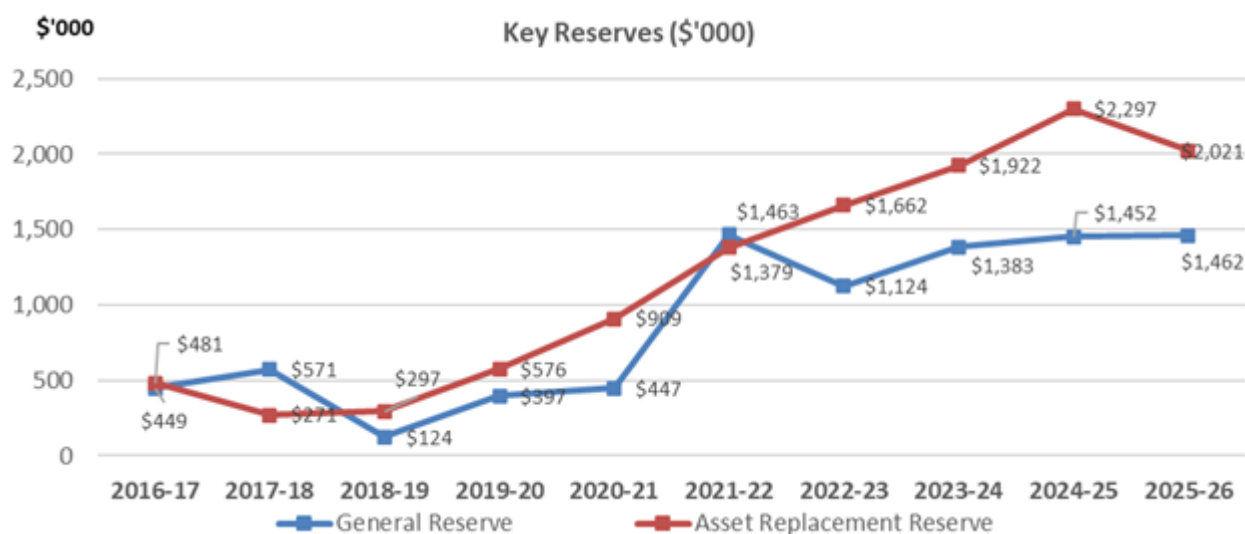
Council's liabilities include amounts owed to suppliers and amounts owed to employees for leave entitlements. Council's total liabilities are \$3.7 million as at 30 June 2026.

Council has zero debt and is operating well above the Victorian Government's prudential ratio limits.



Key Reserves

As at 30 June 2026, Council's other reserve balance, which is fully cash-backed, was \$9.1 million. This included \$1.46 million in the General Reserve and \$2.0 million in the Asset Replacement Reserve.



Financial Sustainability Indicators

Each year, the Victorian Auditor-General's Office (VAGO) reviews Victorian councils' finances and reports its findings to Parliament. The assessment is based on seven key financial sustainability indicators.

Profitability indicators

- Net result – whether enough revenue is generated to cover operating costs including depreciation.
- Adjusted underlying result – whether the entity generates a surplus in the ordinary course of business.

Financing indicators

- Liquidity – whether sufficient working capital exists to meet short-term commitments.
- Internal financing – whether sufficient operating cash flows are generated to invest in assets and repay debt.
- Indebtedness – whether sufficient operating cash flows are generated to pay the principal and interest on borrowings, as and when they fall due.

Asset renewal and maintenance indicators

- Capital replacement – whether assets have been replaced at a rate consistent with the rate of consumption.
- Renewal gap – whether existing assets have been maintained at a consistent rate.

The table below compares Queenscliffe's performance over the past five years. The 2025–26 data is Council's own calculation, with VAGO's official results to be published later in 2026. Although VAGO did not apply a risk rating system in its most recent report, Council officers believe this framework helps the community understand risk levels across the indicators.

Risk assessment matrix

Financial sustainability indicators	Low	Medium	High
Net result ¹	>0%	-10% – 0%	<-10%
Adjusted underlying result ¹	>5%	0% – 5%	< 0%
Liquidity	>1.0	0.75 – 1.0	<0.75
Internal financing	>100%	75% – 100%	<75%
Indebtedness	<=40%	40% – 60%	>60%
Capital replacement	>1.5	1.0 – 1.5	<1.0
Renewal gap	>1.0	0.5 – 1.0	<0.5

Risk assessment

Financial Sustainability Indicators	21/22*	22/23*	23/24*	24/25*	25/26**	5 yrs average
Net result	41.3%	11.1%	-4.4%	7.7%	4.9%	12.1%
Adjusted underlying result	5.6%	-4.9%	-6.1%	4.3%	2.5%	0.3%
Liquidity	3.1	4.6	3.8	2.1	1.0	2.9
Internal financing	122.9%	143.4%	146.8%	167.8%	187.7%	153.7%
Indebtedness	1.1%	0.9%	1.2%	0.9%	1.1%	1.0%
Capital replacement	5.6	4.4	0.9	1.12	1.16	2.64
Renewal gap	5.40	1.95	0.67	0.97	1.00	2.00

Source: VAGO

* Based on VAGO reports

** Based on the audited results calculated by BoQ

The adjusted underlying result in each year has been influenced by the reclassification of some capital costs as operating expenditure and by FAG timing.

Overall, Council remains in a sound financial position, supported by strong liquidity, no debt and positive recurring operating performance. The main financial



management focus remains the delivery of the capital works program and continued investment in asset renewal to support long-term service delivery.

Explanations for material variances in the draft financial statements are provided in a separate attachment for the Committee's reference.

The financial report will be formatted for publication in line with Council's 2025–26 Annual Report design, including the correction of any rounding differences.

RECOMMENDATION

That the Audit & Risk Committee recommends that Council adopt the Annual Financial Report 2025–2026 in principle.

Attachments

1. 2025–2026 Annual Financial Statements - Draft [**7.2.1** - 55 pages]
2. Explanations for significant fluctuations AFR 2025–2026 [**7.2.2** - 15 pages]

7.3. Draft Performance Statement 2025–2026

Presenter: Manager Finance & ICT Services

Background

The Draft Performance Statement 2025–2026 is included as an attachment to this agenda item and has been prepared in line with the "Performance Reporting Framework Indicator Guide 2025–2026" issued by Local Government Victoria. The Performance Statement is a key document that councils in Victoria must prepare annually. It includes a detailed description of the indicators and measures used to assess the Council's performance. These indicators cover various service areas such as roads, planning, animal management, and waste management.

This statement is part of the Council's Annual Report and is essential for ensuring that councils are meeting their objectives and serving their communities effectively.

The Performance Statement is currently subject to final review by the Victorian Auditor-General's Office (VAGO), which may result in further changes. The final version of the Performance Statement will be recommended to Council for



certification and adoption in principle, prior to being forwarded to the VAGO to issue an audit opinion. The Performance Statement will then be included in the Borough's Annual Report 2025–2026.

Based on the audit work completed to date, VAGO identified an input error that affected the result of one performance indicator. The error has since been corrected in the Performance Statement presented for approval.

Discussion

In summary, Council has performed well across all performance indicators, with a few key highlights and observations noted below. This is particularly evident when the results are considered alongside the supporting commentary.

- Planning applications decided within required time frames: There has been a significant improvement in the processing of planning applications. In 2025–2026, 95% of applications were processed within the required time frame, compared with 69% in 2022–2023.
- Waste diversion: The waste diversion rate improved to 73% in 2025–2026, up from 68% in 2022–2023, driven by ongoing initiatives to reduce landfill waste.

Commentaries have been included within the draft performance statement to explain material variances and provide additional context to better interpret the results.

The performance report will be formatted for publication in line with Council's 2025–2026 Annual Report design.

RECOMMENDATION

That the Audit & Risk Committee recommends that Council adopt the Performance Statement 2025–2026 in principle.

Attachments

1. Performance Statement 2025–2026 [**7.3.1** - 18 pages]



7.4. Governance & Management Checklist 2025–2026

Presenter: Manager Finance & ICT Services

Background

The Local Government Performance Reporting Framework (LGPRF) requires the inclusion of the Governance and Management Checklist in the Report of Operations, which must be certified by the Mayor and Chief Executive Officer.

The Governance and Management Checklist measures whether Council has strong governance and management frameworks in place covering community engagement, planning, monitoring, reporting and decision-making.

Discussion

The Draft Governance and Management Checklist is included as an attachment to this item and has been prepared in accordance with the “Model Performance Statement Better Practice Guide 2025–26” issued by Local Government Victoria.

The checklist comprises 27 items Council is required to meet, and, as of 30 June 2026, the Borough has successfully met all qualitative measures included in the governance and management checklist.

RECOMMENDATION

That the Audit & Risk Committee recommends that Council adopt the Governance and Management Checklist 2025–2026.

Attachments

1. Governance and management checklist 2025–2026 [7.4.1 - 6 pages]



8. External Audit

Background

Council's annual budget provides for two external audit reviews to be conducted each year, to meet all legislative requirements with respect to the annual financial and performance reports.

An interim audit is conducted in April/May each year, which includes a review of policies, processes and to review progress on actions required to be completed as part of the current year's financial report.

A final audit of Council's annual financial statements (including financial report and performance statement) is completed in August of each year, with the external auditor reporting through to management and the Audit & Risk Committee at a scheduled meeting in September of each year.

8.1. External Audit Report 2025–2026 Financial Year

Presenter: External Auditor

Discussion

Council's external auditor, VAGO, is currently (at the time of writing) in the final stages of completing the fieldwork for the 2025–2026 audit.

An update on the 2025–2026 final audit will be provided at this September meeting.

RECOMMENDATION

That the Audit & Risk Committee notes the update provided.

Attachments

Nil



9. Control Framework & Risk Management

Background

Council and officers review Council policies and internal organisational policies on a regular basis; those policies with a financial and risk management focus are also reviewed by the Audit & Risk Committee.

9.1. Council Policies adopted by Council

Presenter: HR & Governance Coordinator

Discussion

Council has adopted the following policies since the last Audit & Risk Committee meeting in June 2026.

CP038 Waste Management

The purpose of this policy is to outline the arrangements for waste management services provided to properties in the Borough of Queenscliffe that are entitled to receive such services and to raise revenue in an equitable manner, in accordance with Council's adopted budget and adopted revenue and rating plan, to fully recover the cost of Council's waste services.

Key changes included:

1. Wording changes were made to ensure the language and terminology used within this policy is consistent with that used within the State's draft Kerbside Service Standards (which are yet to be formally released).
2. Section 7.6 was expanded to further clarify the circumstances in which Council may refuse to collect hard waste. This is intended to ensure Council takes reasonable steps to manage risks associated with the hard waste collection service.
3. A new section, section 7.7, was introduced to provide a clear policy framework for circumstances where Council may decide not to provide, or not to continue providing, an existing service due to physical, safety or operational constraints that limit service delivery.
4. The policy review cycle has been proposed as four years, in line with other similar policies.



[cp038-waste-management-adopted-22-july-2026.pdf](#)

CP002 Community Service Awards

The purpose of this policy is to set out the award categories, and the nomination and selection processes for awards that acknowledge community excellence in the Borough of Queenscliffe.

Key changes included:

1. The addition of a third category 'Rising Community Leader of the Year Award' to recognise younger or emerging volunteers;
2. The addition of the Terms of Reference for the Community Service Awards Reference Group;
3. The change of award from Citizen of the Year to Community Member of the Year; and
4. Removal of the requirement for the recipient to be an Australian citizen.

[cp002-community-service-awards-adopted-26-aug-2026.pdf](#)

Council has revoked the following policy since the last Audit & Risk Committee meeting in June 2026.

CP054 Victoria Park

The purpose of this policy was to set out the principles Council would use to manage Victoria Park to protect the environmental values and enhance the amenity of Victoria Park for all users.

The environmental intent of the policy has been met through the implementation of the associated plan and ongoing operational practices. Since the policy was first adopted, significant revegetation works, canopy improvements, habitat-supporting initiatives and amenity improvements have been delivered, and these works continue through regular vegetation management, arborist inspections and maintenance programs.

The operational purpose of the policy was also achieved. Continuing to retain CP054 created an unnecessary layer of governance for matters that could be appropriately managed through existing operational controls, the associated Victoria Park plan, Council's vegetation management framework and relevant Crown land and caravan



park requirements. Retaining CP054 as a standalone policy was therefore no longer considered necessary.

RECOMMENDATION

That the Audit & Risk Committee notes the policies recently adopted or revoked by Council.

Attachments

Nil

9.2. Strategic Risk Register

Presenter: Manager Finance & ICT Services

Background

The Strategic Risk Register articulates risks that could impact Council's strategic objectives. It is presented at each Audit & Risk Committee meeting, and the minutes of the Audit & Risk Committee are then tabled at the following Ordinary Meeting of Council.

Further, the Strategic Risk Register is reviewed as a standard agenda item at the Risk & Governance Committee meeting held each month.

Discussion

The Strategic Risk Register currently identifies nine risk items, seven of which exceed the Council's risk appetite.

Changes made to the Strategic Risk Register since the last Audit & Risk Committee meeting are summarised below:

- Risk types have been updated in line with the revised Risk Management Policy.
- Tolerable risk levels have been reviewed based on the risk appetite outlined in the revised Risk Management Policy.
- A new risk item, SER 02 – Talent and Capability, has been included. This item has been elevated from the operational risk register of the CEO's directorate to the Strategic Risk Register, based on the feedback received from the Committee at the last meeting.



- The risk description for FIN 01 – Financial Sustainability of Council has been amended to separately highlight the financial risk associated with Commonwealth and State governments transferring program or service responsibilities to local government without sufficient funding.

A copy of the Strategic Risk Register is attached, highlighting changes since the update provided at the last Audit & Risk Committee meeting.

RECOMMENDATION

That the Audit & Risk Committee notes the update provided by Council officers, with respect to the Strategic Risk Register.

Attachments

1. BoQ Strategic Risk Register Sep 2026 [**9.2.1** - 10 pages]

9.3. Business Continuity Plan & Testing Regime

Presenter: HR & Governance Coordinator

Background

Business Continuity Management refers to risk management systems put in place by an organisation to allow it to continue to perform its critical functions in the event of a significant incident impacting on the organisation's normal capacity. The key instrument in the system is the Business Continuity Plan.

Discussion

Council's Business Continuity Plan (BCP) was essentially re-written following the COVID-19 pandemic and reviewed against the Australian Standard *AS ISO 22301:2020 Security and resilience—Business continuity management systems—Requirements standard* (which is an identical adoption of the international standard ISO 22301:2019).

Since the re-writing of the BCP, it has been tested in tabletop exercises held on 12 August 2024 and 15 December 2025. An out of session report was provided to the Audit & Risk Committee following the December 2025 test.



A tabletop exercise will again be conducted of the BCP in 2026.

RECOMMENDATION

That the Audit & Risk Committee notes the summary provided by officers, with respect to Business Continuity Planning and Testing regime.

Attachments

Nil

9.4. ICT update

Presenter: Coordinator of Business Systems & Transformation

Discussion

An update regarding ongoing developments undertaken by the Council to enhance ICT capabilities and strengthen the security of its ICT systems is included as a confidential attachment to this agenda paper. The attachment is classified as confidential as it contains information related to the Council's ICT security measures.

RECOMMENDATION

That the Audit & Risk committee notes the update provided.

Attachments

1. Quarterly ICT Audit Report [**9.4.1** - 7 pages]



10. Compliance Management

10.1. Risk & Governance Committee Meetings

Presenter: HR & Governance Coordinator

The Risk & Governance Committee met on:

- 16 June 2026;
- 21 July 2026; and
- 18 August 2026

Officers have attached a confidential report on matters arising from these meetings of the Risk & Governance Committee that require the attention of the Audit & Risk Committee.

This report includes, if applicable, any reported or suspected cases of unethical behaviour, fraud and/or corruption, or lack of integrity reported or suspected since the last Audit & Risk Committee meeting.

RECOMMENDATION

That the Audit & Risk Committee notes the report from the Risk & Governance Committee.

Attachments

1. Risk and Governance Committee - Report to ARC Sep 2026 meeting [**10.1.1** - 3 pages]

10.2. Report on Gifts, Benefits and Hospitality

Presenter: Manager Finance & ICT Services

A report on gifts, benefits and hospitality for the period 1 July 2025 to 30 June 2026 is attached.

RECOMMENDATION



That the Audit & Risk Committee notes the report on gifts, benefits and hospitality for the period 1 July 2025 to 30 June 2026.

Attachments

1. Gift Register 2025 26 [**10.2.1** - 1 page]

10.3. Expense Reimbursements - Councillors and Members of Delegated Committees

Presenter: Manager Finance & ICT Services

Discussion

The Local Government Inspectorate (LGI) guidance requires councils to publicly report councillor expenses in their Annual Report. Council will meet this obligation by including the required disclosures in the 2025–2026 Annual Report.

In addition, under section 40 of the *Local Government Act 2020*, a council must provide details of all expense reimbursements made to Councillors and members of delegated committees to the Audit and Risk Committee. (Note: Council does not currently have any delegated committees.)

Accordingly, details of Councillor expense reimbursements for the reporting period are provided to the Committee for its information and oversight.

RECOMMENDATION

That the Audit & Risk Committee notes the report on Councillor expense reimbursements for the period 1 July 2025 to 30 June 2026.

Attachments

1. Expense Reimbursements [**10.3.1** - 1 page]



11. Chief Executive Officer update

11.1. Chief Executive Officer Update

Presenter: Chief Executive Officer

Discussion

The Chief Executive Officer provided a verbal update in relation to the following areas at the meeting:

- Service review
- EBA negotiations

RECOMMENDATION

That the Audit & Risk Committee notes the Chief Executive Officer update.

Attachments

Nil

12. Information to Note

12.1. Other Information to Note

Presenter: Manager Finance & ICT Services

Discussion

The following additional information is attached for the Audit & Risk Committee's reference.

- Industry Update RSD Q4 FY2026

RECOMMENDATION

That the Audit & Risk Committee notes the information provided.

Attachments

1. RSD Industry Update Report - Q4FY26 [**12.1.1** - 12 pages]



13. Audit & Risk Committee

13.1. Audit & Risk Committee Charter

Presenter: HR & Governance Coordinator

Discussion

Section 54(1) of the *Local Government Act 2020* requires Council to have an Audit and Risk Committee Charter. The Charter must specify the functions and responsibilities of the Audit and Risk Committee. Council's Audit & Risk Committee Charter was first adopted in August 2020 following the formation of the Audit & Risk Committee (previously the Audit Committee under the 1989 Local Government Act). Council's Charter currently requires that it be reviewed annually at a minimum.

The Charter was comprehensively reviewed in 2025 with Council adopting the revised Charter at its 24 September 2025 Ordinary Meeting. Officers have reviewed the Charter again in September 2026 and propose the following changes:

- The Charter is reviewed on an as needed basis and at a minimum once every four-year Council term;
- The appointment period for independent members is amended from a period of 'three years' to a period of 'up to three years' to allow for flexibility of appointment periods;
- Clarification that while Council officers attend Committee meetings they are not members of the Audit & Risk Committee;
- Insertion of the word 'practicable' regarding reporting matters to the next Council meeting so that it reads the 'next practicable Council meeting'. The Audit & Risk Committee is required by the *Local Government Act 2020* to report a number of matters to a Council meeting; inserting the word 'practicable' reflects the reality that on occasion the timing of the Audit & Risk Committee meeting and the preparation of the immediate next Council meeting agenda make it difficult/impossible to include the Audit & Risk items. The intention with the change is that Audit & Risk Committee items would go to the next possible Council meeting.
- Minor typographical changes.

The proposed amendments to the Charter are attached in track changes.



RECOMMENDATION

That the Audit & Risk Committee recommend that Council adopts the proposed changes to the Audit & Risk Committee Charter.

Attachments

1. Audit and Risk Committee Charter - DRAFT - Sep 2026 [**13.1.1** - 10 pages]

13.2. Independent Representatives on Council's Audit & Risk Committee

Presenter: HR & Governance Coordinator

Council appointed all four independent members of the Audit & Risk Committee at its Ordinary Meeting on 25 October 2023 for a three-year term expiring on 25 October 2026.

The Audit & Risk Committee's Charter currently allows for an independent member to be re-appointed without public advertisement for a maximum of one additional three-year term.

The Charter intends for independent member terms to be rotated every three years with two positions being re-appointed without advertisement and two positions appointed following public advertisement. This allows for both continuity of independent membership as well as opportunity for new membership (and allowing sitting members to re-apply). This has been the previous practice and it was an anomaly in 2023 that all four positions were advertised.

Officers have reviewed the desired appointment process in 2026, seeking input from Councillors (who in turn had input from the Audit & Risk Committee independent members). As a result of this review, the officer recommendation to Council in October 2026 will be that two independent members are re-appointed for a period of one year, and two for a period of three years. An advertised Expression of Interest process would then be undertaken in 2027.

This recommendation provides for the maintenance of existing expertise and knowledge during a period of executive leadership transition at Council. The



attached document outlines the timeline of the proposal. Officers also note this proposal would require a slight amendment to the Audit & Risk Committee Charter, changing the independent member appointment period from 'three years' to 'up to three years'. This amendment is desirable beyond the current proposal as it provides for this and future Councils greater flexibility in independent member appointments.

RECOMMENDATION

That the Audit & Risk Committee notes the officer comments regarding the pending expiration of the terms of the four independent Committee members.

Attachments

1. ARC members and timing of EOIs - 2026 [**13.2.1** - 1 page]

13.3. Self-Assessment

Presenter: Chair ARC

Background

Section 35 of the Audit & Risk Committee charter states the following:

The Committee members must undertake an annual assessment of the Committee's performance against the Audit & Risk Committee Charter and provide a copy of the annual assessment to the Chief Executive Officer for tabling at the next Council meeting.

Discussion

The Committee undertook an assessment for the 2025–2026 financial year and the consolidated result/feedback of annual assessment of the Committee's performance is included as an attachment to this paper.

The consolidated result will be tabled at the next Council meeting through the Chief Executive Officer's report.

RECOMMENDATION

That the Audit & Risk Committee notes and confirms the results of the Annual Assessment 2025–2026.



Attachments

1. ARC self-assessment summary 2025-26 [**13.3.1** - 13 pages]
2. ARC self-assessment 2025-26 free text comments [**13.3.2** - 2 pages]

14. General Business

14.1. General Business

The Chair will call for General Business items:

RECOMMENDATION

That the Audit & Risk Committee notes general business items.

15. Meetings Schedule

15.1. Meeting Schedule

Background

Audit & Risk Committee meetings are scheduled to occur at least one week prior to an Ordinary Council Meeting, in order for the Minutes of the Audit & Risk Committee meeting to be finalised and included in the Agenda for the Ordinary Council Meeting, for acceptance by Council.

All meetings of the Audit & Risk Committee will commence at 3:00pm (in-camera session at 2:30pm).

The September meeting of the Audit & Risk Committee each year is for the specific purpose of reviewing the draft financial statements and recommending that Council consider adoption of the financial statements, in principle, at its Ordinary Council Meeting in September.

Audit & Risk Committee Meeting Schedule

Monday 7 December 2026



16. Close of Meeting

The meeting will be declared closed.