

# Borough of Queenscliffe

## Audit & Risk Committee Meeting

### Minutes

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.



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## **1. Committee In-Camera Session**

All members of the Committee, along with representatives of the internal auditors, RSD, met at 2.30pm in-camera prior to the full meeting, without officers, to discuss a range of matters listed on the agenda.

## **2. Opening of Meeting**

Richard Davies declared the meeting open at 3:04 pm.

## **3. Present & Apologies**

### **Present:**

#### **Committee members**

Cr Donnie Grigau, Mayor

Cr Isabelle Tolhurst

Richard Davies (Chair)

Rebecca Brezzi (until 3.18pm, with items 13.1, 13.2 & 13.3 covered out of order prior)

Richard Bull

Michael Tehan

#### **Auditors**

Paul Harrison, Internal Audit Manager (Internal Audit Provider: RSD Audit) (via MS Teams)

Anoja Bandara, Financial Audit (External Auditor: VAGO), (until 4.38pm)

#### **Officers**

Jane Grover, Chief Executive Officer

Gihan Kohobange, Manager Finance & ICT Services

Stuart Hansen, Manager Infrastructure & Environment (via MS Teams)

Jenni Walker, HR & Governance Coordinator

Belinda Bennett, HR & Organisational Development Advisor

#### **Apologies**

Kathie Teasdale, Engagement Partner (Internal Audit Provider: RSD Audit)

Paul O'Leary, Coordinator Business Systems & Transformation



## 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: Nil

Officers: Nil

## 5. Previous Audit & Risk Committee Meetings

### 5.1. Audit & Risk Committee Meeting 15 June 2026

#### RESOLUTION

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

**Moved: Richard Bull**

**Seconded: Cr Isabelle Tolhurst**

**CARRIED**

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

| Item                                                               | Action                                                                                                                                                                                                                                                    | Status                                |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>15 June 2026</b><br>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.<br>Included under item 6.1 |
| <b>15 June 2026</b>                                                | Financial sustainability internal audit report to be shared with the                                                                                                                                                                                      | Completed.                            |



| <b>Item</b>                                            | <b>Action</b>                                                                                                                                                                                                                 | <b>Status</b>                                                                                                     |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 6.2. Internal Audit Review                             | newly created financial advisory committee. RSD will liaise with the CEO to determine the best approach for this information sharing.                                                                                         | Report was shared with the Finance Committee on 30 June 2026 (by the Chair of the Finance Committee, Cr Tolhurst) |
| <b>15 June 2026</b><br>7.6. Risk Management Framework  | Audit & Risk Committee in the risk management process of Council, including referencing the Audit & Risk Committee as "independent," and finalise changes out of session through the Chair.                                   | Completed.<br><br>Approved by the Chair on 19 June 2026.                                                          |
| <b>15 June 2026</b><br>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 which was circulated to members.                                      |

## **NOTED**

- It was advised by RSD that they will identify relevant reports produced by municipal monitors at the end of the monitor term in RSD's industry updates released quarterly.
- The committee expressed interest to add the Finance Committee minutes to the future Audit & Risk Committee agendas.
- The Committee requested a copy of the terms of reference of the Finance Committee (completed).

## **RESOLUTION**

That the table above be confirmed as an accurate record.

**Moved: Richard Bull**

**Seconded: Richard Davies**

**CARRIED**



## **6. Internal Audit**

### **6.1. Progress on Open Audit Recommendations**

**Presenter:** Manager Finance & ICT Services

#### **RESOLUTION**

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

**Moved:** Michael Tehan

**Seconded:** Richard Bull

**CARRIED**

### **6.2. Scope of the next Internal Audit Review**

**Presenter:** Internal Auditor

#### **NOTED**

- The internal auditor confirmed that the next internal audit will assess risk management practices against ISO31000:2018, whilst examining if the Council's framework is embedded in day-to-day operations, including ownership of operational and strategic risks.
- The review will also consider practices observed at other councils and comparative observations will be identified. The December meeting will review the findings report.
- The process to conduct sample testing to identify suitable risk topics to be selected for examination in the project was outlined by RSD. The current risk registers will inform the process
- It was confirmed strategic risks are expected to be covered broadly, and operational sampling will depend on the current risk register and will be selected by the risk owner or risk area to provide coverage across the organisation.

#### **RESOLUTION**



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.

**Moved: Richard Bull**

**Seconded: Michael Tehan**

**CARRIED**

## **7. Council Financial & Performance Reporting**

### **7.1. Asset Valuation Report 2025–2026**

**Presenter:** Manager Finance & ICT Services

#### **NOTED**

- Officers provided an update of the outcome of the valuation of fixed assets for the 2025–26 financial year.
- Officers identified challenges with valuation of some open-space assets that are currently not valued, requiring a process to capture those assets, value them and incorporate them into the asset management plan.
- The Committee sought background regarding the strategic opportunity to identify potentially realisable freehold land.

#### **RESOLUTION**

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

**Moved: Michael Tehan**

**Seconded: Richard Bull**

**CARRIED**

### **7.2. Annual Financial Report 2025–2026**

**Presenter:** Manager Finance & ICT Services

#### **NOTED**



- Management presented the 2025–26 financial results, reporting a financially sound position as at 30 June 2026.
- Recurring income increased by 2.9% after adjusting for grant timing, while recurring expenses increased by 2.1%, below inflation. The resulting recurring operating surplus was approximately \$780,000, supported by cost management and higher interest income.
- The reduction in employee costs were due to operational restructures, and lower leave provisions.
- Despite the lower-than-expected rise in recurring expenses it was noted the current FY (2026–27) budget maintained a forecast higher rate to reflect current and expected inflation.
- The Committee noted that capital underspending continues to be a sector-wide issue and discussed the measures Council is implementing to ensure capital projects are delivered as planned.
- The underspend in 25/26 of the capex budget by approximately \$1.30m was noted and VAGO advised this was a common trend across local government areas. The Finance Manager advised the underspend is retained in the appropriate cash reserves for future application.

## **RESOLUTION**

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

**Moved: Richard Bull**

**Seconded: Michael Tehan**

**CARRIED**

## **7.3. Draft Performance Statement 2025–2026**

**Presenter:** Manager Finance & ICT Services

## **NOTED**

- Officers presented the Performance Statement, comprising 28 mandatory LGPRF indicators, and highlighted the inclusion of additional commentary to



assist in interpreting results that may not fully reflect Council's underlying performance.

## **RESOLUTION**

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

**Moved: Richard Davies**

**Seconded: Michael Tehan**

**CARRIED**

## **7.4. Governance & Management Checklist 2025–2026**

**Presenter:** Manager Finance & ICT Services

### **NOTED**

- Officers presented that Council had met all requirements outlined in the Governance and Management Checklist for the 2025–26 financial year.

## **RESOLUTION**

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

**Moved: Richard Bull**

**Seconded: Richard Davies**

**CARRIED**

## **8. External Audit**

### **8.1. External Audit Report 2025–2026 Financial Year**

**Presenter:** External Auditor

### **NOTED**

- VAGO provided an update advising that the external audit was substantially complete.



- An unmodified audit opinion is expected, and no material audit differences have been identified.
- Following commentary on the VAGO report not being circulated earlier along with the other agenda items, officers and the auditors will consider the timing of future external audits. Subject to that consideration it will be determined if a draft report should be presented in the September meeting in future, prior to the final report potentially being presented in the December meeting. The committee will revisit this matter when the 2027 Audit & Risk Committee dates are set.

## **RESOLUTION**

That the Audit & Risk Committee notes the update provided.

**Moved: Richard Bull**

**Seconded: Richard Davies**

**CARRIED**

## **9. Control Framework & Risk Management**

### **9.1. Council Policies adopted by Council**

**Presenter:** HR & Governance Coordinator

## **RESOLUTION**

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

**Moved: Michael Tehan**

**Seconded: Richard Davies**

**CARRIED**

### **9.2. Strategic Risk Register**

**Presenter:** Manager Finance & ICT Services

## **NOTED**



- In relation to the strategic risk of "Impacts of Climate Change" the CEO mentioned that the Climate Emergency Response Plan (CERP) is being reviewed currently and as a part of the review exercise it is being assessed with reference to other relevant councils such as City of Greater Geelong. The review focuses on adaptation, resilience and emergency-management capability, while ensuring the plan remains proportionate to the size and operating environment of our municipality.

## **RESOLUTION**

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

**Moved: Michael Tehan**

**Seconded: Richard Bull**

**CARRIED**

## **9.3. Business Continuity Plan & Testing Regime**

**Presenter:** HR & Governance Coordinator

## **NOTED**

- The planned tabletop exercise in December 2026 will be led by the Governance and ICT teams, with the primary objective of testing the preparedness and effectiveness of the Business Continuity Plan (BCP).
- The BCP has previously undergone an internal review that assessed its qualitative, governance, and compliance aspects.
- It was further noted that the BCP is focused on maintaining Council's critical internal business processes and does not have a direct link to the Municipal Emergency Management Plan, which is primarily concerned with managing emergencies affecting the broader municipality.
- Management acknowledged that there may be instances where these frameworks overlap, depending on the nature and scale of the incident being managed. In such circumstances, coordination between business continuity and municipal emergency management arrangements may be required to ensure an effective response and recovery effort.

## **RESOLUTION**



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

**Moved: Cr Isabelle Tolhurst**

**Seconded: Richard Bull**

**CARRIED**

## **9.4. ICT update**

**Presenter:** Coordinator of Business Systems & Transformation

### **NOTED**

The Committee noted that the ICT report was excellent and much improved.

### **RESOLUTION**

That the Audit & Risk committee notes the update provided.

**Moved: Michael Tehan**

**Seconded: Cr Isabelle Tolhurst**

**CARRIED**

## **10. Compliance Management**

### **10.1. Risk & Governance Committee Meetings**

**Presenter:** HR & Governance Coordinator

### **RESOLUTION**

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

**Moved: Richard Davies**

**Seconded: Cr Isabelle Tolhurst**

**CARRIED**

### **10.2. Report on Gifts, Benefits and Hospitality**



**Presenter:** Manager Finance & ICT Services

## **RESOLUTION**

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

**Moved: Michael Tehan**

**Seconded: Richard Bull**

**CARRIED**

### **10.3. Expense Reimbursements - Councillors and Members of Delegated Committees**

**Presenter:** Manager Finance & ICT Services

## **RESOLUTION**

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

**Moved: Richard Bull**

**Seconded: Richard Davies**

**CARRIED**

## **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

## **NOTED**



- The CEO reported that the service review process is progressing well. Service catalogue for the Council has been developed, and the draft service review framework will be finalised by the end of September. The next stage will review opportunities for rationalisation, organisational capability, capacity and culture, along with attraction and retention. A report, with recommendations, to be tabled for the November Assembly.
- The CEO reported that the Enterprise Bargaining Agreement (EBA) vote was completed and returned a majority "Yes" vote.

## **RESOLUTION**

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

**Moved: Michael Tehan**

**Seconded: Richard Bull**

**CARRIED**

## **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

## **RESOLUTION**

That the Audit & Risk Committee notes the information provided.

**Moved: Richard Davies**

**Seconded: Richard Bull**

**CARRIED**

## **13. Audit & Risk Committee**



## **13.1. Audit & Risk Committee Charter**

**Presenter:** HR & Governance Coordinator

### **NOTED**

- The HR & Governance Coordinator will make noted changes to the Audit & Risk Committee Charter around appointment terms to improve clarity.

### **RESOLUTION**

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

**Moved: Michael Tehan**

**Seconded: Rebecca Brezzi**

**CARRIED**

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

**Presenter:** HR & Governance Coordinator

### **NOTED**

- The proposed process for managing the independent member terms will be taken to the October 2026 Council meeting.
- The Chair undertook to write to the Mayor and CEO to formalise the views on new term periods for the independent members

### **RESOLUTION**

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

**Moved: Rebecca Brezzi**

**Seconded: Michael Tehan**

**CARRIED**



### **13.3. Self-Assessment**

**Presenter:** Chair ARC

#### **NOTED**

- The Chair will prepare an executive summary of the annual self-assessment for the CEO, noting potential improvements may be incorporated into the next Committee's work program.
- The Committee discussed potentially seeking observations from Council and internal auditors to provide an external assessment of the Committee.

#### **RESOLUTION**

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

**Moved:** Michael Tehan

**Seconded:** Cr Isabelle Tolhurst

**CARRIED**

## **14. General Business**

### **14.1. General Business**

There were no general business items noted.

## **15. Meetings Schedule**

### **15.1. Meeting Schedule**

There were no changes to the proposed meeting schedule for the remainder of 2026.

## **16. Close of Meeting**

Richard Davies declared the meeting closed at 5:06 pm.



The chair proposed ending future meetings with a clear summary of actions; this was supported by the CEO ahead of the next meeting Monday 7 December 2026.

## **ACTIONS NOTED**

- Submit the amended Audit & Risk Committee Charter to Council.
- Officers to prepare a Council report incorporating independent member comments regarding their rotation approach.
- The Financial Committee Terms of Reference to be shared with the Committee (completed) and future meeting minutes added as an agenda item for the Audit & Risk Committee when available.
- Review timing of 2027 external audit and delivery of report based on audit dates and Audit & Risk Committee meeting dates.