## 7.3.3 AUDIT AND RISK COMMITTEE 6 MONTHLY REPORT

| | |
|---|---|
| **Responsible Manager:** | Kate Heissenbuttel, Manager Corporate Performance |
| **Responsible Director:** | Simone Wickes, Director Corporate Services |

### RECOMMENDATION

**That Council notes the six-monthly briefing report forwarded by Council's Audit and Risk Committee to the Chief Executive Officer that outlines the Committee's activities in relation to the functions of the Committee.**

### INTRODUCTION

The purpose of this paper is to provide the six-monthly report on the Audit and Risk Committee's activities and provide any findings and recommendations in relation to the functions of the Committee as per section 54 of the Local Government Act 2020.

### COUNCIL PLAN STRATEGIC OBJECTIVES

**A council with good governance, strong leadership and community involvement in decision making**
A Council that provides governance and leadership for the benefit of our community through community engagement, advocacy, decision making and action.

### BACKGROUND

The Local Government Act 2020 (the Act) includes information on the role and governance of the Audit and Risk Committee as well as broader changes to the Committee's interest in Council's governance. Part 2, Division 8, Clause 54 (5) of the Act requires the Audit and Risk Committee to: a) prepare a biannual audit and risk report that describes the activities of the Audit and Risk Committee and includes its findings and recommendations; and b) provide a copy of the biannual audit and risk report to the Chief Executive Officer for tabling at the next Council meeting.

The report can be found at Attachment 1.

### DISCUSSION

In accordance with the Act, and the Audit and Risk Committee Charter, a briefing paper was tabled at the Audit and Risk Committee meeting of 29 June 2026. It outlined the Committee's activities from January to June 2026.

### FINANCIAL IMPLICATIONS

There are no financial implications to this report.

## POLICY IMPLICATIONS

There are no policy implications to this report.

## CONSULTATION

Community consultation was not required.

## SOCIAL IMPLICATIONS

There are no social implications to this report.

## HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

## GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a ‘policy’, ‘program’ or ‘service’.

## CONCLUSION

As per the requirements of Local Government Act 2020, the CEO presents to Council the Audit and Risk Committee’s report of activities from January to June 2026.

## ATTACHMENT LIST

1. Biannual report to CEO on activities of Audit Risk Committee January to June 2026 [**7.3.3.1** - 3 pages]

## Bi-annual report on activities of the Monash Audit and Risk Committee (January 2026 – June 2026)

| ***Charter Responsibility*** | ***Activity*** |
|---|---|
| ***Financial and Performance Reporting*** | |
| Oversight of the preparation of the Annual Financial Report and Annual Performance Statement | N/A (scheduled for September 2026 meeting). |
| Review of management financial reports | Quarterly financial management reports reviewed at the March (Q2) and June (Q3) meetings. |
| Review of Council's reporting under the Local Government Performance Reporting Framework | This is scheduled for September 2026 meeting. However, changes to LGPRF design and reporting will come into effect from 2026/27. These were part of the June 2026 ARC meeting agenda in the 2026/27 budget item and memo on changes. |
| Consideration and endorsement of changes in reporting standards and policies | Updates are provided by the Chief Financial Officer on any changes to accounting standard or policies that have impacted council as part of the quarterly financial management reports. Matters were included in March and June 2026 meetings. |
| ***Risk Management*** | |
| Consideration of regular reports on Council's risk profile and risk management activity | The following risk reports were provided to the Committee in the past 6 months:<br>• Briefings about the key risk management activities occurring quarterly<br>• Strategic risk reports<br>• Top operational risk reports<br>• Minutes from Risk Management Committee meetings<br>• Minutes from Fraud and Corruption Prevention Steering Committee meetings. |
| Review of implementation of the Enterprise Risk and Opportunity Management Framework | N/A |
| Oversight of the monitoring activity of high-risk areas by Council | • People and Safety dashboard comprising information on OHS and wellbeing data was presented to the Committee for the March 2026 meeting.<br>• Cyber Security update was presented to the Committee at the June 2026 meeting, at this meeting the independent member of Council's Digital Technology Steering Committee was in attendance for this update. |

| Charter Responsibility | Activity |
|---|---|
| Oversight of management responses to business continuity planning and testing activities | Business Continuity Crisis Scenario Exercise results were presented at March 2026 meeting. |
| Oversight of management activity related to fraud and corruption | The Fraud and Corruption Prevention Steering Committee meeting 15 January meeting minutes were presented to the June 2026 meeting. A status on fraud and corruption including a review of the fraud risks, fraud training and reported fraud incidents was reviewed June 2026 meeting. |
| ***Internal Control Environment*** | |
| Monitoring outcomes of reviews by Council of key policies | Policies reviewed in the reporting period include:<br>• Project Management Framework (June 2026)<br>• Delegations Framework for Project Variations (June 2026) |
| Monitoring the impact of legislative changes on Council's operations | N/A. An annual status update on legislative compliance report was provided to the Committee at the March 2026 meeting. |
| Consideration of the impact on Council of the outcomes of integrity body reports (Independent Broad-based Anti-Corruption Commission, Victorian Auditor General's Office, Local Government Inspectorate and Ombudsman Victoria) | Self-assessments of integrity body report/s were provided to the committee in the previous 6 months include:<br>• Victorian Ombudsman's Report – Outsourcing small claims handling (June 2026)<br>• VAGO 2024-25 Internal Audit Report Self-Assessment (June 2026) |
| ***Internal & External Audit*** | |
| Consideration of the outcomes of internal audit reviews | Presented at every meeting. |
| Review and endorsement of the external audit plan | N/A. HLB Mann Judd's Audit Strategy Memorandum was presented and endorsed by the Committee at the March 2026 meeting. |
| Consideration of the outcomes of the external audit | HLB Mann Judd's Audit Closing Report and Final Management letter were presented to the Committee at the September 2025 meeting. |
| Monitoring the performance of the internal and external audit functions | Ongoing. |
| Monitoring management performance in closing out audit recommendations | Presented at every meeting. |
| ***Facilitation of Communication between Audit Functions and Management*** | |

| ***Charter Responsibility*** | ***Activity*** |
|---|---|
| Meeting with the audit functions in the absence of management | Committee members met with Aster Advisory (internal auditors) at the June 2026 meeting. The Committee is scheduled to meet external auditors, HLB Mann Judd, as part of the September 2026 meeting. |
| ***Other key activities included:*** | |
| Review of the Committee Charter and reporting to Council on recommended improvements as outlined in the Local Government Act 2020 | The updated Audit and Risk Committee Charter was reviewed and endorsed at March 2026 meeting. The annual ARC Workplan for 2025/26 and draft workplan for 2026/27 were reviewed at the June 2026 meeting. The 2026/27 Workplan will be finalised/agreed at September 2026 meeting. |
| Monitoring the impact of legislative change on the Committee's responsibilities | N/A for this reporting period. |
| Assessment of the Committee's performance | N/A for this reporting period, scheduled for November/December 2026 meeting. |
| Involvement in the recruitment of new Committee members Chair and Independent members | Recruitment for two independent members including the Chair occurred February – May 2025. ARC independent member, Binda Gokhale, was the Chair of the recruitment panel. |
| Internal Audit Tender activity | N/A |
| **Internal Audit Coverage** | |
| The following internal audits have been performed in the last 6 months as per the Strategic Internal Audit Plan | • Asset Management (March 2026)<br>• Customer Experience (June 2026)<br>• Cyber Security (Phase 1 Govern and Identify) (June 2026) |

**Attendance of committee members at meetings during July to December 2025**

| Name | Role | Member since | January to June 2026 attendance | |
|---|---|---|---|---|
| **Andrew Dix** | Independent member (Chair) | July 2019 | 2 rostered | 2 attended* |
| **Binda Gokhale** | Independent member | July 2023 | 2 rostered | 2 attended* |
| **John Watson** | Independent member | July 2020 | 2 rostered | 2 attended* |
| **Nicky Luo** | Councillor | November 2024 | 2 rostered | 1 attended* |
| **Stuart James** | Councillor | November 2025 | 2 rostered | 1 attended* |
| **Elisha Lee** | Councillor (Alternative) | November 2025 | 2 rostered | 2 attended* |