

# Agenda

Scheduled Council Meeting  
Tuesday 18 July 2023 at 6:30 pm

You are advised that a Meeting of Council has been called by the Chief Executive Officer on Tuesday 18 July 2023 at 6:30 pm for the transaction of the following business.

This meeting will be held in the Council Chamber at Civic Centre, 25 Ferres Boulevard, South Morang and will be [livestreamed via Council's website](#).

**C Lloyd**  
**Chief Executive Officer**

# Administrators

Lydia Wilson                      Chair of Council

Peita Duncan                      Administrator

Christian Zahra AM              Administrator

On 19 June 2020 the Acting Minister for Local Government appointed the Panel of Administrators for the City of Whittlesea and appointed Lydia Wilson as Chair of the Panel. The Panel of Administrators comprises of Lydia Wilson, Peita Duncan and Christian Zahra AM who will undertake the duties of the Council of the City of Whittlesea until the October 2024 Local Government Election.

# Senior Officers

Craig Lloyd                      Chief Executive Officer

Agata Chmielewski              Director Community Wellbeing

Sarah Renner                      Director Customer & Corporate Services

Debbie Wood                      Director Planning & Development

Amanda Dodd                      Acting Director Infrastructure & Environment

Janine Morgan                      Executive Manager Public Affairs

Sarah Rowe                      Interim Executive Manager Office of Council & CEO

Andrew Mason                      Acting Executive Manager Strategy & Insights

## Order of Business

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**Note:**

At the Chair of Council's discretion, the meeting may be closed to the public in accordance with Section 66(2)(a) of the *Local Government Act 2020*. The provision which is likely to be relied upon to enable closure is set out in each item. These reports are not available for public distribution.

**Question Time:**

During the meeting, the Chief Executive Officer will answer questions from residents and ratepayers. Questions are required to be submitted in writing no later than 5pm the day prior to a Scheduled Council Meeting.

Priority will be given to questions or statements that relate to agenda items and those submitted no later than 5pm the day prior to the Scheduled Council Meeting. Any questions submitted after 5pm will receive a written response following the Council Meeting.

A Question to Administrators form can be downloaded from Council's website. Refer: <https://www.whittlesea.vic.gov.au/about-us/council/council-meetings/>

Council will hold public question time for up to 30 minutes at each Scheduled Council Meeting to allow for public questions, statements, petitions or joint letters from our community to be read.

Council is committed to ensuring that all residents and ratepayers of the municipality may contribute to Council's democratic process and therefore, if you have special requirements, please telephone the Governance Team prior to any Council Meeting on (03) 9217 2170.

## **1 Opening**

### **1.1 Meeting Opening and Introductions**

The Chair of Council, Lydia Wilson will open the meeting and introduce the Administrators and Chief Executive Officer:

Administrator, Peita Duncan;  
Administrator, Christian Zahra AM; and  
Chief Executive Officer, Craig Lloyd.

The Chief Executive Officer, Craig Lloyd will introduce members of the Executive Leadership Team:

Director Community Wellbeing, Agata Chmielewski;  
Director Corporate and Customer Services, Sarah Renner;  
Director Planning and Development, Debbie Wood;  
Acting Director Infrastructure and Environment, Amanda Dodd;  
Executive Manager Public Affairs, Janine Morgan;  
Acting Executive Manager Strategy and Insights, Andrew Mason; and  
Interim Executive Manager Office of Council and CEO, Sarah Rowe.

### **1.2 Acknowledgement of Traditional Owners Statement**

The Chair of Council, Lydia Wilson will read the following statement:

*“On behalf of Council, I recognise the rich Aboriginal heritage of this country and acknowledge the Wurundjeri Willum Clan and Taungurung People as the Traditional Owners of lands within the City of Whittlesea.*

*I would also like to acknowledge Elders past, present and emerging.”*

### **1.3 Diversity and Good Governance Statement**

The Chair of Council, Lydia Wilson will read the following statement:

*“At the City of Whittlesea we are proud of our diversity and the many cultures, faiths and beliefs that make up our community. We strive to be an inclusive welcoming City that fosters active participation, wellbeing and connection to each other and this land. We commit as a Council to making informed decisions to benefit the people of the City of Whittlesea now and into the future, to support our community’s vision of A Place For All.”*

### **1.4 Attendance**

## **2 Declarations of Conflict of Interest**

## **3 Confirmation of Minutes of Previous Meeting/s**

### **Recommendation**

**THAT the following Minutes of the preceding meeting as circulated, be confirmed:**

- **Scheduled Meeting of Council held on 27 June 2023.**

## **4 Public Questions, Petitions and Joint Letters**

### **4.1 Public Question Time**

### **4.2 Petitions**

No Petitions

### **4.3 Joint Letters**

No Joint Letters



## 5 Officers' Reports

### 5.1 Connected Communities

#### 5.1.1 Petition - Assessment of Street Trees along Wingspan Avenue & Plenty Road, South Morang

**Responsible Officer:** Acting Director Infrastructure & Environment

**Author:** Senior Arborist Planning & Risk

**In Attendance:** Senior Arborist Planning & Risk

**Attachments:** No attachments.

##### Purpose

The purpose of this report is to outline the response to a petition received from 25 residents, requesting that Council assess the debris created by the street trees along Wingspan Avenue and 1045-1063 Plenty Road, South Morang. The petitioner felt leaf and twig drop from the street trees was excessive and the maintenance requirement for them was unreasonable.

##### Brief Overview

There are currently 33 street trees in Wingspan Avenue and the section of Plenty Road (1045-1063) relating to this petition. All 33 trees are semi-mature to mature evergreen Peppercorn trees (*Schinus molle*).

A meeting with the lead petitioner and one neighbour was held on 1 June 2023. The meeting was attended by the Acting Director Infrastructure & Environment, Acting Manager Maintenance & Operation and Senior Arborist Risk & Planning. The lead petitioner's daughter was also in attendance and provided language translation for the duration of the meeting.

At this meeting, the lead petitioner further detailed their issues, explaining that the residents had concerns regarding the debris from the trees collecting in their gardens, on the footpath and in the stormwater pits.

The stormwater pits were assessed, and debris cleaned out on 8 June 2023. No major blockages were found during the inspection.

### Recommendation

**THAT Council in response to the petition received from 25 residents of Wingspan Avenue and 1045-1063 Plenty Road, South Morang, write to the Head Petitioner to advise that:**

- 1. An independent arboricultural report has been completed on all trees concerned in Wingspan Avenue and Plenty Road, South Morang. None of the trees posed any safety risks that required their removal.**
- 2. Minor canopy pruning will be carried out to 11 trees in the next 12 months and all trees will continue to be monitored and maintained as part of Council's biennial inspection program.**
- 3. Street sweeping is carried out every 8-12 weeks and the program will be monitored to ensure debris will not pose issues to road and guttering.**

### Key Information

A petition was received by Council on 11 January 2023 from 25 residents of Wingspan Avenue and Plenty Road, South Morang requesting Council assess the "mess" created by the street trees and concerns regarding excessive leaf drop.

There are currently 33 Peppercorn (*Schinus molle*) trees planted in the nature strips along Wingspan Avenue and Plenty Road. In addition to Council's own arboricultural inspections, an independent arboricultural consultancy was commissioned to inspect existing trees for structure and condition. The independent report found all trees to be in good to fair condition with Useful Life Expectancies ('ULE') of 50 years. There were no significant defects or health issues associated with the trees.

Council carries out a biennial inspection of all nature strip trees by qualified Arborists and performs maintenance of these street trees as prescribed in keeping with Council's 'Street Tree Management Plan 2019-2029'.

The trees were last inspected in July 2021 with no significant health or structural issues identified. The trees are due to be reinspected again in July 2023.

An independent arboricultural assessment was carried out on the trees in April 2023 and a report has been prepared for Council.

### Community Consultation and Engagement

A meeting with the lead petitioner and one other petitioner was held on 1 June 2023. He was also advised about potentially accessing home maintenance services and to contact Council's Ageing Well team.

## Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

### **Liveable neighbourhoods**

Our City is well-planned and beautiful, and our neighbourhoods and town centres are convenient and vibrant places to live, work and play.

### **Sustainable environment**

We prioritise our environment and take action to reduce waste, preserve local biodiversity, protect waterways and green space and address climate change

## Considerations

### **Environmental**

The retention of mature trees in urban streetscapes is a key tenet of the Greening Whittlesea Strategy (2021) and the subordinate Street Tree Management Plan (2019). A goal of the Greening Whittlesea Strategy is to increase canopy cover in urban areas by twenty percent over a 2019 benchmark. Every mature tree that is removed, impacts on the ability to achieve this goal.

The total estimated canopy cover provided by the 33 trees is currently estimated to be 10,340 square metres or 1.034 hectares. Tree canopy coverage is important because shading benefits reduce air and ground temperatures, making urban areas safer and more liveable. Replacement trees take considerable time to establish and reach maturity and will not be considered as achieving sufficient canopy cover until approximately five years after they are planted. The current trajectory for increasing canopy cover amid global climate change impacts, needs to be enhanced according to Greening Whittlesea Strategy, due to urban densification. This is despite Council planting four thousand trees per year and developers handing over six thousand trees per year. Council removes approximately one thousand five hundred trees per year, because of tree decline, death and storm damage.

### **Social, Cultural and Health**

The Greening Whittlesea Strategy outlines the social, cultural and health benefits of street trees that are widely acknowledged and documented in academic literature.

### **Economic**

The Greening Whittlesea Strategy outlines the economic benefits of street trees that are widely acknowledged and documented in academic literature.

### **Financial Implications**

A valuation was completed using the Revised Burnley Method. The valuation varied with size and tree condition, ranging from \$300 to \$95,500.

The total value of the tree asset within the streets to the nearest \$100 was \$785,800. The cost of any prescribed tree maintenance activity and the costs associated with the independent arboricultural assessments and testing, are included in the current operational budget.

### Link to Strategic Risk

**Strategic Risk** *Climate Change - Failure to mitigate or adapt to the risks of climate change*  
*Community and Stakeholder Engagement - Ineffective stakeholder engagement resulting in compromised community outcomes and/or non-achievement of Council's strategic direction*

A pro-active response to petitions enables residents to have their concerns considered and independently evaluated. The health and structure of the trees concerned have been assessed and comply with Council's Street Tree Management Plan. A Risk Assessment was also carried out with the trees and the ISA Tree Risk Assessment (TRAQ) determined the overall risk level to be a low at this time.

The independent report stated that, taking into account the trees' structural condition, potential for failure within normal weather conditions and surrounding targets, all trees currently present a low risk within the landscape.

A comprehensive risk management approach demonstrates how Council is mitigating any risks associated with its street trees, whilst recognising the greater financial and environmental benefits that trees provide in the city.

### Implementation Strategy

#### Communication

An onsite meeting with the lead petitioner (and translator) took place on 1 June 2023.

#### Critical Dates

The implementation of any works resulting from the Arborists assessments will be carried out within prescribed timeframes.

### Declaration of Conflict of Interest

Under Section 130 of the *Local Government Act 2020* officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

## Conclusion

The submission by the 25 petitioners was considered and an independent arboricultural consultant report was commissioned as a result. The trees were all determined to have a useful life expectancy of 50 years or more. There were no compelling reasons for the trees to be renewed as part of Councils' Street Tree Renewal program.

Where possible, mature canopy trees should be retained if they benefit the streetscape in which they are planted.

Mature canopy trees:

- contribute towards the overall canopy cover targets for the municipality;
- help to moderate hot temperatures by shading areas, cooling, and moderating heat radiated from urban buildings, structures, or surfaces;
- may serve as a windbreak, as well as provide protection from rainfall;
- filter the air we breathe and remove airborne particulates whilst releasing oxygen into the atmosphere.

The street trees will be inspected on a biennial basis to monitor their health to ensure their ongoing vitality.

### 5.1.2 Trunk Services Infrastructure & Civil Works – Quarry Hills Regional Park

**Responsible Officer** Acting Director Infrastructure & Environment

**Author** Senior Project Manager

**In Attendance** Manager Capital Delivery

#### Attachments

1. CONFIDENTIAL REDACTED - Confidential attachment v1 [5.1.2.1 - 5 pages]

This attachment has been designated as confidential in accordance with sections 66(5) and 3(1) of the *Local Government Act 2020* on the grounds that it contains Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released. In particular the attachment contains information of a proposed contract.

#### Purpose

The purpose of this report is to seek endorsement of the award of Contract Number 2022-107 for the construction of Trunk Services Infrastructure and Civil Works for the Granite Hills Major Community Park and Aboriginal Gathering Place at the Quarry Hills Regional Parkland.

#### Brief Overview

The Tender Evaluation Panel advises that:

- Two tender submissions were obtained.
- The recommended tender was the highest ranked and is considered best value because it is the lowest tender lump sum price and has demonstrated that it has the ability to deliver this project in accordance with Council's specified requirements.

#### Recommendation

**THAT Council:**

1. **Accept the tender submitted by MACA Civil Pty Ltd for the sum of \$3,979,749.26 (excluding GST) for the following contract:**

**Contract No:** 2022-107

**Title:** Trunk Services Infrastructure & Civil Works

**Subject to the following conditions:**

- a. **Tenderer to provide proof of currency of insurance cover as required in the tender documents.**
  - b. **Price variations to be in accordance with the provisions as set out in the tender documents.**
  - c. **Tenderer to provide contract security as required in the tender documents.**
2. **Approve the funding arrangements detailed in the confidential attachment.**

## Key Information

### Background

The purpose of this report is to seek endorsement of the award of Contract Number 2022-107 for the Trunk Services Infrastructure and Civil Works for the Aboriginal Gathering Place and the Granite Hills Major Community Park, in the Quarry Hills Regional Parkland.

At the Council Meeting of the 6 December 2021, Council endorsed the business case for the construction of the Granite Hills Major Community Park at Quarry Hills Regional Parklands. At the Council Meeting of 18 July 2022, Council endorsed the business case for the construction of the Aboriginal Gathering Place at Quarry Hills Regional Parklands. Both business cases included a commitment for construction of trunk services infrastructure and civil works to service the above two facilities in the park.

The delivery of this contract will provide 500 metres of access road, 104 car parks and 440 metres of trunk services (ie electricity, lighting, water and sewer services).

Tenders for the contract closed on the 4 May 2023. The tenderer prices and a summary of the evaluation are detailed in the confidential attachment.

### Evaluation

No member of the Tender Evaluation Panel declared any conflict of interest in relation to this tender evaluation.

A Tender Probity and Evaluation Plan was designed specifically for this tender process, and it was authorised prior to this tender being advertised. All tenders received were evaluated in accordance with that plan. The evaluation involving scoring of conforming and competitive tenders according to these pre-determined criteria and weightings:

Criteria	Weightings
Price	60%
Capability	20%
Capacity	15%
Sustainability	5%

The weightings reflect the relative importance of each element to this particular contract. They were determined as being most appropriate after considering numerous factors including (but not restricted to) the time, quality, risk and contract management requirements which were likely to have the most impact on the achievement of best value.

Only tenders that were conforming and competitive were fully scored. Tender submissions that were evaluated as non-conforming or not sufficiently competitive were set aside for further evaluation. In cases where this occurred the reasons for that outcome are detailed in the confidential attachment.

The evaluation outcome was as follows:

<b>Tenderer</b>	<b>Conforming</b>	<b>Competitive</b>	<b>Score</b>	<b>Rank</b>
MACA Civil Pty Ltd	N	Yes	94.1	1
Tenderer B	N	Yes	86.1	2

Refer to the confidential attachment for further details of the evaluation of all tenders.

The Tender Evaluation Panel recommends the tender from MACA Civil Pty Ltd as it is the highest ranked, achieves the project objectives and is value for money.

### **Community Consultation and Engagement**

The trunk services infrastructure and civil works was included in the community consultation and engagement process for the Granite Hills Major Community Park masterplan in 2017. Further community consultation will be undertaken for the Aboriginal Gathering Place project for the future extension of the trunk services infrastructure and civil works that is proposed.

Community consultation and engagement is not required in relation to the subject matter of this report as it relates to commercial arrangements and contractual obligations that are confidential.

### **Alignment to Community Plan, Policies or Strategies**

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

#### **Connected communities**

We work to foster an inclusive, healthy, safe and welcoming community where all ways of life are celebrated and supported

#### **Liveable neighbourhoods**

Our City is well-planned and beautiful, and our neighbourhoods and town centres are convenient and vibrant places to live, work and play.



## Considerations

### Environmental

The contract management includes Key Performance Indicators that relate to the management of environment, waste and site throughout the contract.

### Social, Cultural and Health

The contract management will include Key Performance Indicators that relate to Occupational Health & Safety and traffic & pedestrian management to ensure a safe work site is maintained throughout the contract.

### Economic

The project will provide infrastructure that will enable community use of the Granite Hills Major Community Park and the Aboriginal Gathering Place.

### Financial Implications

The financial details are included in the confidential attachment.

## Link to Strategic Risk

**Strategic Risk** *Service Delivery - Inability to plan for and provide critical community services and infrastructure impacting on community wellbeing*

**Strategic Risk** *Contractor Management - Failure to manage contractors to deliver agreed outcomes*

Awarding this contract will enable Council to provide the community with adequate and safe community infrastructure that meet current needs of the community and increase community participation.

## Implementation Strategy

### Communication

There is no requirement to communicate the contract award decision of this report to the community beyond the Council minutes. However, information regarding the proposed works will be provided via Council's social media communication channels and also to relevant stakeholders.

### Critical Dates

The completion date for this contract is anticipated for mid-2024.

### **Declaration of Conflict of Interest**

Under Section 130 of the *Local Government Act 2020* officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

### **Conclusion**

The tender from MACA Civil Pty Ltd was determined to be best value and it is considered that this company can undertake the contract to the required standards and minimal impact to Council.

### 5.1.3 PRACE Lease Extension - Mernda Recreation Reserve

**Responsible Officer:** Director Customer & Corporate Services

**Author:** Unit Manager Strategic Property

**In Attendance:** Unit Manager Strategic Property

**Attachments:**

1. Attachment A - Locality Plan [5.1.3.1 - 1 page]

#### Purpose

The purpose of this report is to:

- inform Council of the outcome of the community consultation undertaken in relation to Council's intention to extend the current lease term with the Preston and Reservoir Adult Community Education (PRACE) from nine (9) years to twenty (20) years, ending in 2041 if all options for further terms are exercised by PRACE; and
- seek Council approval to extend the current lease term.

#### Brief Overview

Council, at its meeting of 20 July 2020, resolved to support PRACE establishing a temporary community facility at the Mernda Recreation Reserve with the primary focus on intervention education services for young people at risk of disengagement from education, training and employment.

The Mernda Recreation Reserve and PRACE facility at 54-68 Schotters Road, Mernda is shown in orange on the Locality Plan (refer to Attachment A).

A land-only lease between Council and PRACE commenced in July 2021 for an initial five (5) year term and with an option for a further term of four (4) years (a total of nine (9) years).

The success and commitment in offering education and community services at this location and the need for further investment and the security of tenure by PRACE from their premises at Mernda Recreation Reserve has led to a request by PRACE to extend the term of their land-only lease with Council from a maximum term of nine (9) years to twenty (20) years ending in 2041 if all options for further terms are exercised by PRACE.

Council has undertaken community consultation about PRACE's request to extend the term initially as part of the Mernda Recreation Reserve master planning in 2022 and more recently via a public notice as part of the statutory process pursuant to S115 of the *Local Government Act 2020*.

No expansion of PRACE's facilities into open space is proposed and the benefits of PRACE's delivery of services to the community is highlighted in the 51 out of 53 responses received as part of the first phase of community consultation in relation to the draft Mernda Recreation Reserve Master Planning.

No submissions have been received in response to the statutory public notice and the extension of PRACE's lease is recommended.

### Recommendation

#### THAT Council:

1. Notes that public notice was given on 19 April 2023 in respect to the proposed extension of the current term of the Lease Agreement with PRACE from nine (9) years to twenty (20) years and ending in 2041 if all further-term options are exercised by PRACE, on part of Council's land located within the Mernda Recreation Reserve at 54-68 Schotters Road, Mernda pursuant to Section 115 of the *Local Government Act 2020*.
2. Notes that no submissions and/or requests to be heard by Council were received.
3. Resolves to grant PRACE a lease extension of eleven (11) years for a maximum lease period of twenty (20) years from the existing commencement date (July 2021).
4. Authorises the Chief Executive Officer to formalise and execute a deed of variation of lease between Council and PRACE for its premises located within the Mernda Recreation Reserve, 54-68 Schotters Road, Mernda.

### Key Information

#### Mernda Reserve Master Plan

Work on the Mernda Recreation Reserve master plan recommenced in April 2023 following the completion of pavilion audits. The draft Mernda Reserve Master Plan includes a community pavilion based on reference design massing with extra flexibility for co-location of the community house in the long-term.

The draft Mernda Reserve Master Plan is scheduled to be presented to Council in late August following an internal review and the second phase of community engagement and consultation is expected to follow.

#### The draft Mernda Reserve Master Plan:

- proposes many improvements and upgrades to enhance the recreation reserve for all community users. Listing a few, improvements to the playground, car parking, lighting, seating, multi-purpose courts, integrated water management, informal recreation, organised sports, and connectivity to adjacent natural areas;
- does not support the expansion of PRACE into public open space and PRACE's occupancy does not involve an expansion into the public open space;

- attempts to create a better interface between PRACE and the public open space;
- supports the long-term vision of an integrated pavilion and community house, with more public open space returned to the community, whilst supporting the important community services offered by the Community House; and
- has considered an arboricultural assessment of all trees on the site and proposed facilities in the reserve will not adversely impact the trees.

### PRACE

In July 2020, a report was presented to Council with a request from PRACE seeking access to a small parcel of Council land to build a relocatable community facility to act as a youth intervention and adult and community education centre.

The social wellbeing of communities in growth areas is significantly lower than expected, closely correlated to the issue of the lack of adequate social support services and infrastructure. High levels of family violence, substance abuse, gambling losses, child protection orders and, significant for this proposal, youth disengagement, are now a reality of growth areas in general, and Mernda/Doreen in particular.

A number of these factors are closely related, with one or more present in cases of young people who become disengaged from education. A failure to intervene once a young person is at risk, significantly increases the likelihood of issues becoming entrenched, leading to a further burden on both the individual and the community.

PRACE is a Non-Government Organisation (NGO) which has been providing a range of education and support services for Whittlesea residents for some years and is a member of the Whittlesea Community Futures Partnership. PRACE provides a specialist intervention service for vulnerable young people at risk of becoming disengaged as well as adult education services. In 2018, whilst most participants already came from the City of Whittlesea, PRACE was receiving an increasing number of new enquiries from secondary schools in the Mernda/Doreen corridor on behalf of at-risk students.

In response to this increased demand, in 2019 PRACE enquired with Council as to whether a site might be made available for a community education facility from which to deliver expanded services. Council officers undertook an extensive search with only one site identified as suitable, being the Mernda Recreation Reserve.

Council, at its meeting of 7 July 2020 considered PRACE's proposal to deliver this facility to meet a significant social need on a site adjacent to the existing Mernda Neighbourhood House; consolidating community activity and education in Mernda but also servicing residents from Doreen, Whittlesea Township and South Morang.

The PRACE youth intervention service offers Victorian Certificate of Applied Learning (VCAL), pre-VCAL and Vocational Education and Training (VET) courses that are tailored to the individual's needs. PRACE also works with local employers and Melbourne Polytechnic to place their students into work, further study, pre-apprenticeships, or other productive directions, and therefore, makes an important contribution to local economic development.

Council considered the area proposed to be occupied by the PRACE building and a pertinent factor was that it did not form part of the active open space portion of the recreation reserve given that the proposal included the relocation and replacement of an existing playground with a new facility as part of the project.

The area of the reserve to be occupied by PRACE is less than 3.5% of the total Mernda Recreation Reserve area and Council offered PRACE a short-term lease of up to nine years in this location because it did not impact any long-term outcomes that may be identified in a future master planning process (currently underway).

PRACE's success in providing education and community services including language, literacy and numeracy, and vocational training to adults from its existing facilities under the short-term lease at Mernda Reserve and additional facilities secured by PRACE on land adjacent to the reserve to service the emerging needs of our community requires the security of tenure of an additional 11 years i.e., a 20-year lease in total.

The land is currently leased from Council for a five-year term that commenced in July 2021 with the option of a further four-year extension. PRACE have requested to extend the term of their current lease arrangement with Council by a further 11 years, which will be broken up into several additional terms that are exercisable by PRACE. In 2022, Council included PRACE's request for a lease term extension as part of the Mernda Recreation Reserve master planning community consultation process.

Community members were asked the following questions:

- if they supported a request by PRACE from Council to extend the existing lease by 11 years; and
- to outline their reasons as to why they are opposed or support the request.

There were 53 responses to the consultation and of the responses received, 51 were supportive of an extension to the PRACE lease and 2 were not supportive on the basis that it is claimed that:

- the PRACE occupancy competes with the need for open space;
- the facility does not deliver a substantial benefit to the community; and
- Council offered PRACE a lease for nine years with little public consultation.

Given the considerable support received, Council commenced the statutory process pursuant to S. 115 of the *Local Government Act* 2020 under delegation with the CEO approving the public notice placed on Council's website and engage page on 19 April 2023.

The public notice advised the community of Council's intention to extend the term of the current lease agreement by 11 years to 20 years, and in accordance with Council's Community Engagement Policy, invited community members to make a submission/s. Respondents of the initial consultation phase for the draft Mernda Recreation Reserve Master Planning that did not support the PRACE lease extension were advised of the public notice placed on Council's website and engagement page.

All submissions were to be made in writing within 28 days of the date of publication. Submissions closed on 18 May 2023 at 5.00pm. Each submitter was also afforded an invitation and the opportunity to be heard at a Council meeting.

No submissions have been received.

### Community Consultation and Engagement

Council has reached-out to the community about PRACE's request for a lease extension as part of the Mernda Recreation Reserve master planning in 2022 and subsequently as part of the statutory process pursuant to S. 115 of the *Local Government Act* 2020 that forms the subject of this report.

The section states that if the proposed lease was not included in the budget, where a proposed lease term is for 10 years or more, then Council is required to undertake a community engagement process in accordance with its community engagement policy.

Given the request for the extension of the lease term from nine years to 20 years, Council was required to undertake a statutory community engagement process. Consultation was undertaken in April 2023 with the public notice of the terms and conditions of the lease being placed on Council's website and engage page on 19 April 2023. The process allowed the community (including respondents to the draft Mernda Master Planning initial consultation that were not in support of the PRACE lease extension 28 days to provide feedback on the extension of the Lease, which closed on 18 May 2023.

### Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

#### **Strong local economy**

Our City is a smart choice for innovation, business growth and industry as well as supporting local businesses to be successful, enabling opportunities for local work and education.

**High performing organisation**

We engage effectively with the community, to deliver efficient and effective services and initiatives, and to make decisions in the best interest of our community and deliver value to our community.

As per the reasons above, the services offered by PRACE make allow our young adults the opportunity to participate in education and community services including language, literacy and numeracy, and vocational training.

**Considerations****Environmental**

There are no environmental implications in relation to this matter.

**Social, Cultural and Health**

There are no social, cultural and health implications in relation to this matter.

**Economic**

There are no economic implications in relation to this matter.

**Financial Implications**

The cost is included in the current budget.

**Link to Strategic Risk**

**Strategic Risk** - There are no Strategic Risks in relation to this matter. The area that the portable was built on was not part of the active open space portion of the recreation reserve and was equivalent to around 3.5% of the open space reserve. Relevant internal stakeholders agreed to the initial lease in 2020.

**Implementation Strategy****Communication**

The public notice was placed on Council's website and engage page on 19 April 2023 and allowed the community 28 days to provide feedback on the extension of the Lease, which closed on 18 May 2023.

**Declaration of Conflict of Interest**

Under Section 130 of the *Local Government Act 2020* officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.



## Conclusion

The Mernda Doreen area has significant social issues including high levels of youth disengagement and few adult and community education opportunities. PRACE offers the youth of our community education and community services including language, literacy and numeracy, and vocational training to adults and is committed to delivering services to the community from the current location.

PRACE is seeking an extension on their current Lease agreement with Council by a further 11 years. We are asking Council to support the extension of the current lease from nine years to 20 years and allow officers to vary the current Lease agreement by way of Deed of Variation to allow for the additional further term/s.



**5.2 Liveable Neighborhoods**

No reports

**5.3 Strong Local Economy**

No reports

**5.4 Sustainable Environment**

No reports

## 5.5 High Performing Organisation

### 5.5.1 Unconfirmed Audit and Risk Committee 25 May 2023 Meeting Minutes

**Responsible Officer:** Acting Executive Manager Strategy & Insights

**Author:** Unit Manager Risk & Assurance

**In Attendance:** Unit Manager Risk & Assurance

**Attachments:**

1. Unconfirmed Audit Risk Committee Meeting Minutes May 2023 [5.5.1.1 - 32 pages]

#### Purpose

To enable Council to have oversight and understanding of the Audit and Risk Committee operations and as required under Council's Audit and Risk Committee Charter, this report presents the unconfirmed Minutes of the Audit and Risk Committee meeting held on 25 May 2023.

#### Brief Overview

The minutes from the Audit and Risk Committee meeting held on 25 May 2023 are provided to inform Council of the Committee's discussions and resolutions.

#### Recommendation

**THAT Council note the unconfirmed minutes of the Audit and Risk Committee meeting held on 25 May 2023.**

#### Key Information

The Audit and Risk Committee is an independent advisory committee of Council and its role is to report to Council and provide appropriate advice and recommendations on matters presented to it. It acts in this capacity by monitoring, reviewing and advising on issues within its scope of responsibility and assisting Council's governance obligations to its community.

The Audit and Risk Committee considered a number of reports at the meeting held on 25 May 2023. The main agenda items included:

- Audit & Risk Committee Work Plan.
- Risk Management.
- Corporate Performance Report.
- Delegations of Authority.
- Information Services, Integration and Cybersecurity update.
- Internal Assurance update and Social Club Governance Report.
- Third Party Service Provider Assurance.
- Internal Audit Reviews completed:
  - Whittlesea Community Connections.
  - Fraud and Corruption.

- Follow Up of Completed Internal Audit Actions.
  - Various Financial Controls.
- Outstanding Action items from Previous Internal Audits.
- Interim Management Letter year ending 30 June 2023.
- Management responses to Integrity Body Reports.

### Community Consultation and Engagement

The Audit and Risk Committee is an advisory Committee to Council, therefore, no community consultation and engagement is undertaken. Membership to the Committee consists of two Administrators and 4 independent members.

### Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

#### High performing organisation

We engage effectively with the community, to deliver efficient and effective services and initiatives, and to make decisions in the best interest of our community and deliver value to our community.

The Audit and Risk Committee and the reports it receives are reflective of Council's commitment to the implementation of good governance principles. The Committee provides advice to Council to assist with fulfilling its oversight responsibilities for the financial and non-financial reporting process, internal controls, the audit process, risk management and Council's process for monitoring compliance with legislation and regulations and the Code of Conduct.

### Considerations

#### Environmental

No implications.

#### Social, Cultural and Health

No implications.

#### Economic

No implications.

#### Financial Implications

The cost is included in the current operating budget.

### Link to Strategic Risk

**Strategic Risk Governance** - *Ineffective governance of Council's operations and activities resulting in either a legislative or policy breach.*

The Audit and Risk Committee assists Council to monitor governance, risk and compliance by making recommendations to Council.

### **Implementation Strategy**

#### **Communication**

Outcomes of the resolution of Council will be advised to the Audit and Risk Committee at the next meeting.

#### **Critical Dates**

It is intended that the Audit and Risk Committee will confirm the minutes at the next quarterly meeting, on 12 September 2023.

### **Declaration of Conflict of Interest**

Under Section 130 of the *Local Government Act 2020* officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

### **Conclusion**

The Audit and Risk Committee met on 25 May 2023. That unconfirmed minutes of that meeting are attached to this report for noting by Council to inform it of Committee resolutions and discussions.





UNCONFIRMED

# Minutes

AUDIT & RISK COMMITTEE

Thursday 25 May 2023 at 1:30 pm

Council Chamber at Civic Centre,  
25 Ferres Boulevard, South Morang

Minutes - Audit & Risk Committee Meeting 25 May 2023

## Attendees

### Present

#### Members In Attendance

Geoff Harry, Chairperson (Independent)

Jen Johanson (Independent)

Dr Marco Bini (Independent)

Lydia Wilson (Administrator)

Christian Zahra (Administrator) (remote) – left meeting 5pm

#### Council Officers:

Craig Lloyd, Chief Executive Officer

Sarah Renner, Director Customer & Corporate Services

Frank Joyce, Executive Manager Strategy & Insights

Aaron Gerard, Chief Financial Officer

Samantha Boyle, Unit Manager Risk & Assurance

Nicole North-Vanner, Corporate Assurance Advisor

#### Other Council Officers in attendance for specific reports:

Amanda Dodd, Acting Director Infrastructure & Environment (item 5.4)

Amelia Ryan, Acting Director Community Wellbeing (item 5.3)

Anna Micallef, Coordinator Employee Relations (item 5.3)

Brett Davidson, Risk Coordinator (item 5.1)

Joanne Kyrkilis, Manager Community and Place (item 9.1)

Mimi Haddad, Unit Manager Safety & Wellbeing (item 7.3)

Rahul Shah, Unit Manager Financial Strategy and Performance (item 6.1)

Sarah Rowe, Acting Executive Manager Office of Council and CEO (item 7.1)

Sharon Durantini, Chief People Officer (item 5.3)

Yuri Guzman, Chief Information Officer (items 7.2 and 8.2)

#### Externals in attendance:

Andrew Zavitsanos, Partner Crowe (items 9.1, 9.2, 9.3, 9.4, and 9.5)

Lynda Cooper, Senior Manager Crowe (items 9.1, 9.2, 9.3, 9.4, and 9.5)

Kathie Teasdale, Partner RSD Audit (remote) (item 10.1)

#### Apologies:

Bruce Potgieter (Independent)



Minutes - Audit &amp; Risk Committee Meeting 25 May 2023

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Minutes - Audit & Risk Committee Meeting 25 May 2023

## 1 In-Camera Discussion

The meeting commenced at 1:30pm with attendance by members of the Audit and Risk Committee only. It was agreed that any matters relevant to the meeting agenda would be raised in discussion on relevant agenda items.

In-camera session with the CEO and Executive Manager Strategy & Insights commenced at 2:00pm. This session included an update on the outcomes of the internal audit contract tender outcomes.

All other officers and externals listed in attendance joined the meeting from 2:35pm.

### Introduction

#### Committee Chairperson's Introductory Comments

The Chair welcomed all in attendance and acknowledged the Traditional Owners of the lands in which the meeting was held, the Traditional Owners of the lands of people attending virtually and acknowledged elders past and present. The Committee congratulated Aaron Gerrard on his appointment to the Chief Financial Officer position.

#### Conflicts of Interest

The Chair asked if there were any conflicts of interest to be declared, and there were no declarations by members or Council Officers.

#### Personal Interests Register

The Chair asked whether members had any changes in their personal interests since the last meeting; and the following changes were declared:

1. Geoff Harry was appointed as Chair of the Knox City Council Audit & Risk Committee
2. Jen Johanson was appointed as Chair of the Hume City Council Audit & Risk Committee
3. Christian Zahra notified that he was formerly a Director of KPMG.

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 1.2 Confidential Internal Audit Project Update

<b>Responsible Officer:</b>	Chief Executive Officer
<b>In Attendance:</b>	Craig Lloyd, Chief Executive Officer Sarah Renner, Director Customer & Corporate Services
<b>External in Attendance</b>	Andrew Zavitsanos, Partner, Crowe Lynda Cooper, Senior Manager, Crowe

This report has been designated as confidential in accordance with sections 66(5) and 3(1) of the *Local Government Act 2020* on the grounds that it contains law enforcement information, being information which if released would be reasonably likely to prejudice the investigation into an alleged breach of the law or the fair trial or hearing of any person. In particular the report contains information regarding potential legal proceedings.

### Matters Discussed

A confidential discussion was held with the Audit and Risk Committee, Crowe - Council's Internal Auditors, the CEO and Director Customer and Corporate Services at the end of the Meeting (approximately 5.10pm). Crowe, provided the Audit and Risk Committee with the outcomes of the confidential Internal Audit.

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 2 Previous Meeting

### 2.1 Matters Arising from Previous Meetings

**Responsible Officer** Executive Manager Strategy & Insights

#### Purpose

To provide the Audit and Risk Committee with progress on matters raised at previous meetings.

#### Matters Discussed

The Matters Arising From Previous Meetings Register and Report was presented for review and discussion.

#### Committee Resolution

**THAT the Audit and Risk Committee note the report on Matters Arising from Previous Meetings and the status of those actions.**

**NOTED**

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 2.2 Confirmation of Minutes of Previous Meeting

**Responsible Officer** Executive Manager Strategy & Insights

### Purpose

To provide the Audit and Risk Committee with the previous meeting minutes for review and confirmation.

### Matters Discussed

The Committee provided feedback on the minutes of the previous meeting held on 16 February 2023 and advised they were seeking improvements in the quality of the minutes.

Discussion included:

- Resolutions to be stand-alone and action oriented. It was confirmed that the resolutions were recorded verbatim as confirmed at the February Meeting.
- Matters discussed to be more specific; and
- Actions to be limited to and reflect matters discussed.

The Committee sought for future minutes to capture actions in resolutions where possible.

### Committee Resolution

**THAT the Audit and Risk Committee approve the minutes of the 16 February 2023 meeting as a true and correct recording of the meeting, noting the Committee's expectation that future meeting minutes will capture actions within the resolution.**

**CARRIED**

Minutes - Audit &amp; Risk Committee Meeting 25 May 2023

### 3 Audit & Risk Committee Work Plan

#### 3.1 Review Progress of Annual Work Plan

**Responsible Officer** Executive Manager Strategy & Insights

##### Purpose

To enable the Audit and Risk Committee to monitor its Annual Work Plan (AWP) progress.

##### Matters Discussed

The Committee:

- Discussed the typographical error in meeting dates identified during the Questions on Notice, which has been rectified.
- Discussed the completion of the 2022/2023 work plan and the fulfillment of its Charter duties.
- Gave feedback on the draft 2023/2024 Annual Work Plan (AWP).
- Requested management to formally present the draft 2023/2024 AWP for endorsement at the September Committee meeting.

Key Action/s	Responsible Officer
Draft the 2023/2024 Annual Work Plan and circulate to the Committee before the September meeting incorporating the Committee's proposed changes.	Nicole North-Vanner

##### Committee Resolution

**THAT the Audit and Risk Committee:**

1. Note the Committee's Annual Work Plan progress and acknowledge that the plan is now complete.
2. Request a draft 2023/24 annual work plan be circulated for consideration at the September Committee Meeting.

**NOTED**

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 4 CEO's Update

### 4.1 CEO Update

**Responsible Officer:** Chief Executive Officer

**In Attendance:** Craig Lloyd, Chief Executive Officer

This attachment has been designated as confidential in accordance with sections 66(5) and 3(1) of the *Local Government Act 2020* on the grounds that it contains legal privileged information, being information to which legal professional privilege or client legal privilege applies. In particular the attachment contains information regarding Personal Interest Disclosures and potential regulatory proceedings.

#### Matters Discussed

The Committee discussed the CEO Update during the in-camera session, including the:

- Outcomes from the confidential internal audit being conducted.
- Responses to the CEO Questionnaire by ELT members, which indicated no significant matters requiring the Committee's attention.

#### Committee Resolution

**THAT the Audit and Risk Committee note the:**

1. CEO Update report, and
2. Results of ELT member responses to the CEO Questionnaire, which indicates that there are no significant matters that require the Committee's attention.

**NOTED**

Minutes - Audit &amp; Risk Committee Meeting 25 May 2023

## 4.2 Governance Risk - Return of Elected Council

**Responsible Officer** Executive Manager Strategy & Insights

### Purpose

The purpose of this report is to update the Audit and Risk Committee on the recent risk assessment relating to the Return of Elected Council.

### Matters Discussed

The matter was deferred to the 24 September 2023 based on CEO advice, enabling Council Officer's further time to progress the project to ensure a smooth transition to elected Council. The report will be updated to brief the Committee on completed and upcoming actions to mitigate the risk of an unsuccessful return of elected Council.

Key Action/s	Responsible Officer
Provide an updated report of the risks associated with the transition to the return of elected Council, including completed and upcoming actions, to the September Committee meeting.	Craig Lloyd



Minutes - Audit &amp; Risk Committee Meeting 25 May 2023

## 5 Risk Management

### 5.1 Risk Management Report - Quarter ending 31 March 2023

**Responsible Officer** Executive Manager Strategy & Insights

#### Purpose

The purpose of this report is to update the Audit and Risk Committee (ARC) on the status of risk management activities being undertaken and provide updates reflective of the reporting period.

#### Matters Discussed

The Committee noted and discussed the:

- Progress of the review and development of the Business Continuity Framework
- Revision of Strategic Risk 1 - Financial Sustainability (SR1), which was revised to medium risk rating because of the unpredictability of funding arrangements.
- Implications of State Budget and land tax (windfall tax), which the CEO confirmed the CFO is working on.

The Committee advised management to consider, during the next review of strategic risks, broadening SR1 to incorporate the affordability of Council's long-term plan, commitments and community expectations. The Committee confirmed it was satisfied with the responses provided to the Questions on Notice.

Key Action/s	Responsible Officer
Management to reconsider the context of SR1 to ensure the breadth of the financial risk is identified and evaluated.	Brett Davidson
Management to present on the Long-Term Financial Plan and the consideration of long-term strategies and goals.	Brett Davidson

#### Committee Resolution

**THAT the Audit and Risk Committee:**

- 1. Note the details of the Risk Management Report;**
- 2. Note and endorse the Business Continuity Policy, Plan and Framework; and**
- 3. Provided feedback for consideration of strategic risks for the next review.**

**NOTED and ENDORSED**

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 5.2 Presentations on Directorate Risk Profiles

**Responsible Officer:** Director Planning & Development

### Matters Discussed

The Directorate Risk Profiles presentation scheduled to be given by Andrew Mason, Manager Emergency Management & Regulatory Programs, on the Planning & Development Directorate was not presented to the Committee because of time constraints and will be rescheduled for the next quarterly meeting.

Key Action/s	Responsible Officer
Reschedule Planning & Development Director Risk Profile Presentation to the September Committee meeting .	Nicole North-Vanner

Minutes - Audit &amp; Risk Committee Meeting 25 May 2023

### 5.3 Hot Risks - Child Safe Standards

**Responsible Officer** Director Community Wellbeing

#### Purpose

The purpose of this report is to provide an update on Council's compliance with the Child Safe Standards and Reportable Conduct Scheme, and associated risk management.

#### Matters Discussed

The Committee discussed the child safety hot risks report and noted:

- The extensive work that has been undertaken by Council since the law reforms.
- That the recommendations made in the Child Safety Audit conducted by Crowe in 2020 were pivotal and helped establish the Child Safety Framework, which is reaping results through staff awareness training and community surveys.
- Council is focused on embedding child safe practices in atypical operations.
- Satisfaction with the controls in place to mitigate the regulatory risk and commended management for the improvements and therefore, it is no longer required to be reported as a hot risk, unless the risk profile changes.

Key Action/s	Responsible Officer
Management to remove the child safety hot risk from the draft Annual Work Plan for 2023-2024.	Nicole North-Vanner
A template is developed with standard headings and advice to officers for Hot Risk reports to ensure future reports are limited to 5 pages and address key matters of interest to the Committee	Nicole North-Vanner

#### Committee Resolution

**THAT the Audit and Risk Committee:**

1. Note the information provided on Council's compliance with the Child Safe Standards and Reportable Conduct Scheme, and associated risk management.
2. Suggest that future Hot Risk reports are limited to 5 pages and that officers develop a template with standard headings to ensure future reports address key matters of interest to the Committee.

**NOTED**

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 5.4 Hot Risks - Climate Change

**Responsible Officer**

Director Infrastructure & Environment

### Purpose

The purpose of this report is to provide the Audit and Risk Committee with an overview of the climate change risks facing the City of Whittlesea and how we are addressing them.

### Matters Discussed

The Committee discussed the report on the City of Whittlesea's risk mitigation actions for climate change and Council's readiness for future challenges. Discussion included:

- Integration of risk treatment plans into Council operations.
- Education and awareness programs to obtain community support on climate change action and community expectation on net zero targets.
- Consideration of changes in standards and Council's integration of these changes into operations.
- Water management stakeholder relationships.
- Recognition of the work undertaken in this space and the strong link to Council's Integrated Planning Framework.

### Committee Resolution

**THAT the Audit and Risk Committee note the:**

1. Recent adoption of the Sustainable Environment Strategy 2022-32 and Climate Change Plan 2022-32 and our strategic direction to address climate change within the City of Whittlesea;
2. Board range of actions within the Sustainable Environment Strategy Action Plan 2022-24 that seek to address climate change through adaption mitigation;
3. Outcomes of the climate change Risk Assessment have been reviewed by Managers and adopted as part of Council's Service Risk Profile; and
4. Incorporation of corporate environmental sustainability into the High Performing Organisation Strategy currently under development.
5. Resolution under 5.3 relating to request for template and limit of 5 pages for future Hot Risk reports

**NOTED**

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 6 Financial and Performance Reporting

### 6.1 Review Corporate performance report

**Responsible Officer** Director Customer & Corporate Services

#### Purpose

The Corporate Performance Report for the quarter ended 31 March 2023 is presented to Audit and Risk Committee for information.

#### Matters Discussed

The Committee discussed the Corporate Performance Report for the quarter ended 31 March 2023 including:

- Initiatives in place to reduce the Capital Expenditure carry-forward.
- Introduction of the Enterprise Portfolio Board.
- ePMO set-up and governance; including project management framework, change function and budgeting process review.

#### Committee Resolution

**THAT the Audit and Risk Committee note the Corporate Performance Report for the nine months ended 31 March 2023.**

**NOTED**

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 7 Systems of Internal Control

### 7.1 Review Delegations of Authority

**Responsible Officer** Interim Executive Manager Office of Council & CEO

#### Purpose

The purpose of this report is to provide an update on the operation and oversight of Council's delegations as required under the Audit and Risk Committee's annual work plan.

#### Matters Discussed

The Committee discussed the operational update on the instrument of delegations and the delivery of applicable training programs. The discussion included:

- Integration of the financial delegations into Council systems, which includes acting arrangements.
- Training for all unit managers and above to help build understanding of responsibilities across the organisation, which is especially valuable during acting arrangements.
- Planning delegations were reviewed and updated in 2022 based on an audit review conducted by an external consultant.
- Planning delegations to include clear triggers for planning matters to be considered by Council Officers in accordance with delegations or formally by Council. This included withdrawing the ability for Councillors to 'call in' planning matters.

#### Committee Resolution

**THAT the Audit and Risk Committee note the Delegations of Authority report.**

**NOTED**

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 7.2 Information Services, Integration and Cybersecurity updates

### Responsible Officer

Director Customer & Corporate Services

### Purpose

To provide the Audit and Risk Committee (ARC) an update on the following:

- information on outstanding actions arising out of the 2020 Cyber Security Internal Audit;
- Essential Eight Security Guidelines Comparison between the 2020 and 2023; and
- update the ARC on Council's Cyber security position as of February 2023.

### Matters Discussed

The Committee discussed Council's ongoing efforts to strengthen cyber security measures arising from the 2020 Cybersecurity internal audit and the Essential 8 Security Guidelines comparison. Discussion included:

- The introduction of the Security Framework, which replaces a suite of existing security policies and includes change management and password complexity.
- Cloud and service agreements with vendors when entering into negotiations for new and expiring contracts.
- Systems are being upgraded according to key risk factors.
- The decommissioning of 'flash' in 12 months, once the SharePoint upgrade is complete.
- The establishment of minimum requirements for partners in relation to cloud services agreements.
- The security policy had been incorporated into Council's information security framework, and the need to ensure all information services policies were updated in a timely way.
- All actions from the 2020 Cyber security internal audit were now complete.

### Committee Resolution

**THAT the Audit and Risk Committee note the Information Services Integration and Cybersecurity updates report and request officers to ensure information technology policies remain up to date.**

**NOTED**

Minutes - Audit & Risk Committee Meeting 25 May 2023

### 7.3 Review Changes to Incident Reporting - Be Safe

**Responsible Officer**

Director Customer & Corporate Services

#### Purpose

To give the Audit and Risk Committee an overview of the implementation of the new Occupational Health and Safety Incident Management System from ecoPortal, named BeSafe.

#### Matters Discussed

The Committee discussed the implementation of Be-Safe, Council's hazard and incident software, which went live on 4 April 2023. Discussions included:

- Improvements from the previous system with greater visibility of hazards and incidents.
- Ability to monitor and track risk mitigation progress.
- Ability to perform better data and trend analysis, which could result in insights to reduce risk.

#### Committee Resolution

**THAT the Audit and Risk Committee note the implementation of the new Incident Management System, Be-Safe.**

**NOTED**



Minutes - Audit & Risk Committee Meeting 25 May 2023

## 8 Internal Assurance

### 8.1 Update of Internal Assurance Plan and Reports

**Responsible Officer** Executive Manager Strategy & Insights

#### Purpose

This report provides the Audit and Risk Committee (ARC) with an update on the progress of the 2022/23 Internal Assurance Program including outcomes from the recently completed Social Club Governance Internal Assurance project, as well as the planned 2023/24 Internal Assurance Program.

#### Matters Discussed

The Committee discussed the internal assurance plan and outcomes from the Social Club Governance review. The Committee provided feedback on:

- The process for developing the internal assurance plan and determination of priorities.
- Whether there are sufficient resources to fulfill the annual internal assurance plan with four reviews scheduled for 2023/2024.
- Future reporting on the outcomes of internal assurance projects.
- The Internal Assurance Plan's approval process, which is appropriate to reside with the ELT.

#### Committee Resolution

**THAT the Audit and Risk Committee note the:**

1. Progress on the implementation of the Internal Assurance Plan for 2022/2023 and the scheduled Internal Assurance Plan 2023/2024; and
2. Findings and proposed management actions to the Social Club Governance review.

**NOTED**

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 8.2 Third Party Service Provider Assurance

**Responsible Officer**

Director Customer & Corporate Services

### Purpose

The purpose of this report is to provide an overview of the cybersecurity risks associated with third-party providers that the City of Whittlesea is using, including Salesforce, MS Dynamics, Microsoft 365, Open Office, Logicalis (Infrastructure as a Service) and Civica Authority.

### Matters Discussed

The Committee discussed the risks associated with third-party vendors and noted the measures in place to protect data from potential threats.

### Committee Resolution

**THAT the Audit and Risk Committee note the Third-Party Service Provider Assurance report.**

**NOTED**

Minutes - Audit & Risk Committee Meeting 25 May 2023

## 9 Internal Audit

### 9.1 Whittlesea Community Connections Internal Audit Report

**Responsible Officer** Interim Director Community Wellbeing

#### Purpose

This report provides the Audit and Risk Committee (ARC) with the outcomes of the recent Whittlesea Community Connections Internal Audits (attached), including key findings and recommendations and proposed management actions.

#### Matters Discussed

The Committee discussed the outcomes of the audit, noting:

- The compliance component of the audit was conducted by Crowe, Council's Internal Auditor.
- The community value component was conducted by a third-party consultant, Jeanette Pope.
- Over-runs incurred by Whittlesea Community Connections for provision of services to the community were not borne by Council.
- The value of the audit in providing foundations to:
  - Strengthen governance, including the potential for conflict of interest.
  - Inform a service level agreement.
  - The identification of all stakeholders to the agreement.

The Committee provided advice on inclusions for the upcoming SLA negotiations including:

- KPIs to be aligned with Council's Community Plan Action Plan and strategies.
- Governance arrangements, including consideration of conflict of interests.

#### Committee Resolution

**THAT the Audit and Risk Committee note the Whittlesea Community Connections Internal Audit and review reports, key findings, and recommendations.**

**NOTED**

Minutes - Audit &amp; Risk Committee Meeting 25 May 2023

## 9.2 Fraud and Corruption Internal Audit Report

**Responsible Officer**

Executive Manager Strategy & Insights

### Purpose

This report provides the Audit and Risk Committee (ARC) with the outcomes of the recent Fraud and Corruption Internal Audit (attached), including key findings and recommendations and proposed management actions.

### Matters Discussed

The Committee discussed the outcomes of the Fraud & Corruption internal audit and noted the:

- Survey, which was distributed to all staff, resulted in responses that are consistent with other Councils, especially the lack of awareness of how to make a Public Interest Disclosure.
- Suite of policies that form the fraud and corruption system.
- Value the audit provided management, which will inform the finalisation of the review of the framework.
- Code of conduct is the primary source for ethical behaviour, incorporating fraud, gifts and conflict of interest.

The Committee discussed the importance of ensuring fraud and corruption investigations are handled externally to ensure integrity.

Key Action/s	Responsible Officer
Ensure the draft Fraud & Corruption system includes a process to appoint investigations to an external investigator.	Nicole North-Vanner

### Committee Resolution

**THAT the Audit and Risk Committee note the Fraud and Corruption Internal Audit report, key findings, and recommendations.**

**NOTED**

Minutes - Audit &amp; Risk Committee Meeting 25 May 2023

### 9.3 Follow Up of Completed Internal Audit Actions

**Responsible Officer** Executive Manager Strategy & Insights

#### Purpose

This report provides the Audit and Risk Committee with the outcomes of the recent Follow Up of Completed Internal Audit Actions (attached), including key findings, recommendations and proposed management actions.

#### Matters Discussed

The Committee noted the:

- Outcomes of the audit
- Council's use of the CAMMS (Audit Module) software has matured monitoring, however, increased monitoring of closed action items needs to occur to ensure sufficient evidence to warrant the action's closure.
- Value of the audit in providing integrity to Council's close-out function.
- New procedure that has been implemented to evaluate evidence of closure of actions by Officers.

Discussion was held in relation to the re-opened Tree Management Internal Audit actions and extended timeframes for implementation of actions.

The Committee advised management to:

- Ensure high and medium rated internal audit actions are implemented within 6 months, and if a recommendation cannot be implemented within this time, management introduce milestones ensuring delivery remains on track.
- Provide further information on the mitigation measures in place to reduce the risks associated with tree management.

Key Action/s	Responsible Officer
For future Internal Audits work to incorporate milestones for any high or medium risks that have actions beyond 6 month timeframes	Nicole North-Vanner
Provide a report to the September Committee meeting on the implementation of short-term controls to mitigate the risks identified in the Tree Management internal audit report.	Caroline Lintott

Minutes - Audit & Risk Committee Meeting 25 May 2023

#### Committee Resolution

**THAT the Audit and Risk Committee:**

- 1. Note the Follow-Up of Completed Internal audit Actions Internal Audit report, key findings, and recommendations;**
- 2. Endorse the proposed actions from management;**
- 3. Request a further report on tree management actions to be brought to the September meeting; and**
- 4. Note Council's revised process for closing actions.**

**NOTED and ENDORSED**

UNCONFIRMED

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## 9.4 Various Financial Controls Internal Audit

**Responsible Officer**

Director Customer & Corporate Services

### Purpose

In accordance with Council's strategic Internal Audit Plan, Crowe have undertaken a review into various financial controls; Asset Valuation, Fringe Benefits Tax and Sundry Debtors to assess the controls and processes in place are operating effectively.

### Matters Discussed

The Committee discussed the:

- Outcomes of the Various Financial Controls Internal Audit.
- Findings relating to asset management and processes in place to address these risks.
- Value of the findings that re-enforced management's focus on areas for improvement, which it is currently addressing.

### Committee Resolution

**THAT the Audit and Risk Committee note the contents and findings of the Various Financial Controls Internal Audit.**

**NOTED**

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## 9.5 Review progress of internal audit plan delivery

**Responsible Officer** Executive Manager Strategy & Insights

### Purpose

This report provides the Audit and Risk Committee (ARC) with an update on the progress of the Internal Audit Program since the last meeting.

### Matters Discussed

The Committee discussed the internal audit plan and noted the delivery of these projects fulfills the 2022-2023 internal audit plan.

### Committee Resolution

**THAT the Audit and Risk Committee note the Internal Audit Status Report.**

**NOTED**



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## 9.6 Follow up of Internal Audit and Assurance Actions

**Responsible Officer**

Executive Manager Strategy & Insights

### Purpose

This quarterly report (ending 30 March 2023) enables the Audit and Risk Committee (ARC) to monitor the progress of actions to mitigate high and medium rated findings arising from the internal audit and assurance programs.

### Matters Discussed

The Committee noted the significant work undertaken during the period to implement open actions. The Committee discussed:

- The timing of this report, noting it is a quarterly report, with commentary and status updated by Officers at the end of each quarter and reviewed by the Executive before Committee review.
- The extension of time for the two actions and the process undertaken by the Executive and officers to reduce the risk of future actions requiring extension.

### Committee Resolution

**THAT the Audit and Risk Committee:**

1. Note the progress of the actions arising from the internal audit and assurance programs; and
2. Endorse the extension of time for completion of 2 actions.

**NOTED and ENDORSED**

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## 9.7 Internal Audit Tender Outcome

**Responsible Officer** Executive Manager Strategy & Insights

### Purpose

Council conducted a tender selection process for the provision of internal audit services and this report provides an update to the Audit and Risk Committee (ARC) on the Tender Probity and Evaluation Panel's (TPEP) selection and appointment.

### Matters Discussed

The Committee noted in-camera, the outcomes of the internal audit tender and appointment of Pitcher Partners, and thanked Crowe for its commitment to quality internal audit services and partnership with management.

### Committee Resolution

**THAT the Audit and Risk Committee:**

1. **Note the outcomes of the Internal audit Tender and the appointment of Pitcher Partners effective 1 July 2023; and**
2. **Thank the incumbent, Crowe for their commitment to quality Internal Audit Services delivered to the City of Whittlesea in the past 5 years.**

**NOTED and THANKED**

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## 10 External Audit

### 10.1 Review the Interim Management Letter year ending 30 June 2023

**Responsible Officer**

Director Customer & Corporate Services

#### Purpose

The Draft Interim Management Letter for the year ending 30 June 2023 is being presented to the Audit and Risk Committee for noting.

#### Matters Discussed

External Auditor Kathy Teasdale, RSD, provided progress on the external audit. The Committee discussed the:

- Completion of the planning and interim visits
- Progress of development of standardised unit rates for valuation of road infrastructure assets.
- Intended hard-closes in June, to help progress the audit and enable identification of interim findings.
- Progress of the review of key policies and procedures.
- Policy & Procedures Framework recently endorsed by ELT to ensure that policies and procedures are consistent and up to date.
- Rates supplementary valuations for October, November & December.
- Interim management letter outlining these considerations.

#### Committee Resolution

**THAT the Audit and Risk Committee note the:**

1. **Draft Interim Management Letter for year ending 30 June 2023; and**
2. **Interim findings and receive feedback at the end of the current year on the status of matters raised from the External Audit Interim Management Letter.**

**NOTED**

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## 11 Compliance

### 11.1 Key Personnel Expenses

**Responsible Officer** Interim Executive Manager Office of Council & CEO

#### Purpose

The report provides the Audit and Risk Committee (Committee) with an overview of expenses incurred by Administrators, the Chief Executive Officer (CEO) and the CEO's Executive Assistant in the third quarter of the financial year.

#### Matters Discussed

The Committee noted the expenses as outlined in the report and highlighted that reimbursements are now also included.

#### Committee Resolution

**THAT the Audit and Risk Committee note the report on Expenses of the Administrators, CEO and the CEO's Executive Assistant.**

**NOTED**

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## 12 Governance

### 12.1 Review Management Responses to Integrity Body Reports

**Responsible Officer** Executive Manager Strategy & Insights

#### Purpose

This report provides the Audit & Risk Committee (ARC) with an overview of external integrity agency reports identified in the last quarter and an update on the implementation of actions arising from previous recommendations.

#### Matters Discussed

The Committee noted the report and discussed:

- The rigour in Council's approach to managing the integrity body reports.
- The process for evaluating the relevant best-practice features of the reports.
- The challenges of managing responses to the outcomes of integrity body investigations bearing in mind the administrative burden associated with reviewing and implementing best practice opportunities.
- Opportunities to apply a risk management approach to assessing the relevance of each integrity report with reporting by exception.
- Considering a lighter touch so that the work is not onerous, left to managers to review and consider any key actions required.
- That it is acceptable for Officers to review reports and confirm no further actions required where appropriate.

Key Action/s	Responsible Officer
Consider reviewing the process to reduce bureaucracy and administrative burden through identifying and focusing only on external reports that contain significant relevancy for Council.	Nicole North-Vanner

#### Committee Resolution

**THAT the Audit and Risk Committee:**

- 1. Note the reports identified in the Integrity Agency Examinations report;**
- 2. Note the implementation progress of actions arising from previous reports; and**
- 3. Recommend to officers to review the process of reviewing the external integrity agency reports to reduce administrative burden and prioritise those reports most relevant to Council**

**NOTED**

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### **13 Other Matters**

The Committee thanked Crowe for the diligent work performed over the last 5 years on the City of Whittlesea Internal Audit Program and noted that Andrew and Lynda's risk and assurance insights and their contributions to the Committee's deliberations more generally were especially valued.

UNCONFIRMED

**6 Notices of Motion**

No Notices of Motion

**7 Urgent Business**

No Urgent Business

**8 Reports from Council Representatives and CEO Update**

**9 Confidential Business**

**9.0.0 Close Meeting to the Public**

Under section 66(2) of the *Local Government Act 2020* a meeting considering confidential information may be closed to the public. Pursuant to sections 3(1) and 66(5) of the *Local Government Act 2020*.

**Recommendation**

**THAT the Chair of Council recommends that the meeting be closed to the public for the purpose of considering details relating to the following confidential matters in accordance with Section 66(2)(a) of the *Local Government Act 2020* as detailed.**

**9.1 Confidential Connected Communities**

No Reports

**9.2 Confidential Liveable Neighbourhoods**

No Reports

**9.3 Confidential Strong Local Economy**

No Reports

**9.4 Confidential Sustainable Environment**

No Reports

**9.5 Confidential High Performing Organisation**

No Reports

**10 Closure**