Minutes

Audit & Risk Committee Meeting

10:00am, Thursday 11 December 2025

Richmond Town Hall

1. Discussions without management

The Audit and Risk Committee Charter provides opportunities for the committee to meet with auditors or Councillors without management present.

2. Acknowledgement of Country

"Yarra City Council acknowledges the Wurundjeri Woi Wurrung people as the Traditional Owners and true sovereigns of the land now known as Yarra. We also acknowledge the significant contributions made by other Aboriginal and Torres Strait Islander people to life in Yarra. We pay our respects to Elders from all nations here today—and to their Elders past, present and future."

3. Attendance

The Chair welcomed Matt Balfe, General Manager Corporate Services to the Audit and Risk Committee and thanked Rose Barletta for her work as acting General Manager.

Members	
Kylie Maher (Chair)	Independent Member
Jeffrey Rigby	Independent Member
Lisa Tripodi	Independent Member
Cr Stephen Jolly	Councillor Member
Cr Kenneth Gomez	Councillor Member
Auditors	
Lynda Cooper	Manager Risk Consulting, Crowe
Council officers	
Sue Wilkinson	Chief Executive Officer
Brooke Colbert	GM Governance, Communications and Customer Experience
Matt Balfe	GM Corporate Services
Rose Barletta	Manager Customer Experience
John Brockway	Chief Financial Officer
Phil De Losa	Manager Governance and Integrity
Patrick O'Gorman	Senior Governance Coordinator
Malcolm McCall	Manager Equity and Community Development (joined for item 6.2 of the agenda)
Tamsin Achilles	Risk Coordinator (joined for items 6.6, 6.7, 6.8 & 6.9 of the agenda)
Sandra Sanderson	Chief Information Officer (joined for item 6.12 of the agenda)
Ivan Cubela	ERP Program Director (joined for item 6.12 of the agenda)
Observer	
Cr Sharon Harrison	Deputy Mayor
Apologies	
Andrew Zavitsanos	Partner – Internal Audit, Crowe

4. Declarations of Conflict of Interest

Nil.

5. Meeting Administration

5.1. Confirmation of the Agenda

Presenter Kylie Maher

RESOLUTION BY AGREEMENT

1. That the agenda for this meeting of the Audit and Risk Committee proceed as listed, subject to item 6.11 of the agenda – Nomination of the Audit and Risk Committee Chair to Council to proceed after item 5.4 of the agenda.

5.2. Confirmation of Minutes from the 25 September Audit and Risk Committee meeting

Presenter Kylie Maher

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee note the minutes and actions arising from the 25 September Audit and Risk Committee.

5.3. Annual Workplan Progress Report

Presenter Patrick O'Gorman – Senior Governance Coordinator

An overview of the report was provided, noting that the annual review of the Audit & Risk Committee Charter scheduled for the December 2025 meeting was marked as completed as it was tabled at the March 2025 Committee meeting.

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. note the progress against the approved annual workplan, and
2. approve changes to the annual workplan as outlined in this report.

5.4. Review of Outstanding Actions from Previous Meetings

Presenter Patrick O'Gorman – Senior Governance Coordinator

An overview of the report was provided.

Discussion was held on the following:

- The outcomes of outstanding action 25/32 with officers and internal auditors

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Note the updated status of actions arising from previous meetings as set out in this report; and
2. Authorise the removal of those items marked 'complete' from future reports.

Action 26/01: Removal of outstanding action item 25/031 and for Internal Auditors to establish process contained in the action for future additional work engagements conducted by Crowe. Process to also be included for consideration for the next scheduled review of the Audit and Risk Committee Charter.

Action 26/02: Action item 25/032 to be re-listed as incomplete and for future discussions to be held between officers and Internal Auditors to satisfy the action.

6. Matters for consideration

6.1. Report by the Chief Executive Officer

Presenter	Sue Wilkinson – Chief Executive Officer

The Chief Executive Officer provided a verbal update on the following matters:

The recruitment of a new General Manager Corporate Services Matt Balfe. Rose Barletta was thanked for her services as acting General Manager.

Budget reviews currently ongoing within the organisation.

A verbal overview of the contaminated colour sand at Council sites.

Discussion was held on the following:

- Confirmation that 6 out of 7 are being tested, with the exception of the 7th site given that the sand was contained, unopened and collection only required. All contaminated sand has been removed.

Overview of the compliance and integrity register attachment to the report.

Discussion was held on the following:

- Future register updates to include an extra column to include any risks/learnings from the integrity matters.
- Officers reaffirmed that the community is informed of their right to appeal/report Council decisions to integrity agencies
- Internal Audit on Customer Complaints and Customer Service

In response to item 6.16 of the agenda, the committee expressed strong concerns that a structured mechanism for ongoing assurance between audits is not in place and the need for an attestation process to address this gap. The Committee requested that benchmarking be undertaken with other Councils and what compliance control checks are in place and if similar attestation reports could be implemented and presented to the Committee.

Discussion was held on the following:

- need for continuous assurance through quarterly or biannual attestations covering critical compliance areas and reported on by senior officers to improve compliance visibility
- complementary tools such as internal audit follow-up reviews and risk assurance framework improvements recommended to strengthen controls on fraud and corruption risks

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Note the Chief Executive Officer's report.

Action 26/03: Ombudsman matter received on the 17/10/2025 to be changed to resolved.

Action 26/04: Officers to provide a future report to the Committee on a continuous assurance framework on key compliance activities to improve oversight

Action 26/05: Internal Auditors to confirm the last audit taken place on customer complaints and customer service, and the next scheduled audit on this topic.

6.2. Status report on the review of the Community Grants Program

Presenter	Malcolm McCall – Manager Equity and Community Development
Authoriser	General Manager Community Strengthening

An overview of the report was provided.

Discussion was held on the following:

- Confirmation that the agreements and accompanying documents i.e. Occupational Health and Safety protocols were reviewed by legal providers
- Officers to explore the possibility for more regular Internal Audits into the grants program
- Appeals process undertaken through Council's Customer Complaint's Policy and Charter.

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Acknowledges the implementation of the review recommendations, which included consideration of governance, fiduciary risk, best practice grant making and the feasibility of measuring impact.
2. Acknowledges that invitation only grants that do not reflect best practice and have ceased and instead are now directed through appropriate procurement channels with transitional funding arrangements, as approved by Council on 11 March 2025.
3. Acknowledges that the CGP has been redesigned in a simplified and proportional format, aligning with the strategic objectives of the Council Plan, and informed by the Yarra 2036 Community Vision, given effect through the updated guidelines, application and assessment processes, which are monitored through an Outcomes Framework.
4. Acknowledges that the following administrative improvements have been implemented:
   (a) Restructuring of the application and assessment templates in SmartyGrants to reflect more consistent and meaningful assessment criteria and improve applicant experience; and
   (b) Full implementation and use the SmartyGrants Outcomes Engine to assist with understanding and measuring impact of the program.

2. Acknowledges implementation of the following measures directed at enhancing governance and minimising fiduciary risk:
   (a) Creation of more accessible conflict of interest forms, including examples of conflicts, to have available at every panel meeting;
   (b) The provision of comprehensive panel induction training to orient new members to Council's expectations and their responsibilities within the grants program;
   (c) That new panel members sign a declaration that confirms completion of the induction process, including reading through all written materials in the induction pack;

(d) Rotation of panel membership via a fixed term of not more than 4 years, with panel members refreshed via an expression of interest process on a 2-year rotating basis;

(e) The use of a scoring matrix by assessment panels for consistency and robustness of assessment practice.

3. Calls for a further report to be brought to the committee in Q2 of the 2026–27 financial year to advise the outcome and implementation of refinements from the mini-review of the first round of the redesigned CGP and to make recommendations on options for an audit, service, and/or impact review (as appropriate) every two to four years.

6.3. Internal Audit Status Report

Presenter	Lynda Cooper - Manager Risk Consulting, Crowe

An overview of the report was provided.

Discussion was held on the following:

- Cybersecurity policies and staff training in place to manage security risks
- Inclusions of audit scopes in future status reports

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Receive the Internal Audit Status Report found at **Attachment One**.

Action 26/05: Future reports to include audit scopes

6.4. Review of Actions from Previous Internal Audits .

Presenter Rose Barletta – Manager Customer Experience

A brief overview of the report was provided.

Discussion was held on the following:

- Support of extensions to completion dates, noting that most items were well progressed and rated low risk
- Revised timelines to be realistic and monitored closely
- Extension of OH&S KPI timelines to March 2026, development underway with business engagement
- Use of interim scenario testing for BCP Testing prior to scheduled exercise in 2027 to test controls. Officers confirmed that smaller-scale tests and service level responses are occurring regularly.
- Inclusion of risk-rating column to improve clarity and prioritisation
- Exploring the inclusion of a status at date for each action to clarify currency and accuracy
- Consideration of formulating actions into progressive milestones for completion dates more than a year away and reviewing risk ratings where partial mitigation is achieved at a milestone

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. notes all commentary in the list of actions arising from previous internal audits has been updated where necessary;
2. review and provide feedback to revised extension dates; and
3. notes the removal of those items marked ‘complete/100%’ from future reports.

6.5. Strategic Internal Audit Plan 2025-2028

Presenter	Lynda Cooper - Manager Risk Consulting, Crowe

A brief overview of the report was provided.

Discussion was held on the following:

- Committee welcomed the linkage between audit scopes and strategic risks, noting this as a maturity uplift.
- Encouraged continued integration of risk assurance into audit planning.
- Support for management's approach to keep the plan dynamic.
- Recommend incorporating emerging risk reporting (planned for March 2026) into audit prioritization.
- Committee noted strong operational progress in Child Safety but recommended readiness for additional assurance if legislation accelerates.

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Review and receive the updated Strategic Internal Audit Plan.

Action 26/06: Internal Auditors to confirm the scheduling of Climate Change Internal Audit Topic scheduling.

6.6. Quarterly Risk Management and Priority Risk Update - December 2025

Presenter	Tamsin Achilles – Risk Coordinator

A brief overview of the report was provided.

Discussion was held on the following:

- The Committee commended the work undertaken by officers and aligning the strategic risks with the Council Plan
- Requested visibility on key controls for each strategic risk and assessment of control effectiveness, as well as treatment plans for ineffective or partially effective controls
- Suggestion of linking internal audit scope to risk and control assurance
- Use of risk appetite as a strategic decision-making tool
- Council endorsement of risk appetite statements
- Linkage to internal audit and governance reporting
- Committee to continue oversight of plan implementation

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Review and provide feedback on Risk Management Plan on a Page 2025-2027.
2. Review and provide feedback on Yarra's Risk Governance structure in 2026.
3. Note ongoing work to review Operational Risks.
4. Note work to redesign CAMMS reporting to meet user needs.
5. Note update on emerging risk register.

Action 26/07: Internal Audit to align future audit scopes with risk and control assurance

6.7. Strategic Risk Review 2025 Update and Next Steps

Presenter	Tamsin Achilles – Risk Coordinator

A brief overview of the report was provided.

Discussion was held on the following

- The Committee recognised the work of officers as a major uplift in comparison to previous reporting
- Health and safety risk to cover councillors, staff, contractors and volunteers
- Elaboration of the expanding risk of becoming financially unsustainable and broadening of scope to include ineffective cost control, or external factors that compromise service delivery, compliance, and long-term sustainability

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Note Strategic Risk Review 2025 update.
2. Review and provide feedback on next steps of Strategic Risk Review 2025.

6.8. Review BCP Framework and Disaster Recovery Regime

Author	Tamsin Achilles – Risk Coordinator
Authoriser	General Manager Corporate Services (Acting)

A brief overview of the report was provided.

Discussion was held on the following:

- Recommended earlier desktop scenario testing and progressive exercises to ensure organisational resilience prior to the full BCP rollout exercise in 2027
- Suggested a formal review of linkages between:
    i. BCP.
    ii. ERP
    iii. IT Disaster Recovery Plan.
    iv. Municipal Emergency Management Plans.
    v. Critical service continuity plans.
- Recommended issuing BCP awareness communications during holiday shutdown periods to mitigate elevated risks.
- Noted that older systems pose continuity risks; urged integration of mitigation strategies into BCP and DRP.

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Note ongoing review of Yarra City Council's Recovery Plan v2.7, 2023.
2. Review and provide feedback on Yarra's BCP Plan on a Page, 2025.

Action 26/08: Officers to provide a future report to the Committee on IT Disaster Recovery Plans.

6.9. Review Council's Fraud and Corruption Policy

Author Tamsin Achilles – Risk Coordinator

A brief overview of the report was provided.

Discussion was held on the following:

- Ensure consistency with the Staff Code of Conduct and Local Government Act provisions for councillors.
- Terminology in the policy to align with the Audit and Risk Committee Charter to ensure the Committee is fulfilling their risk management and oversight obligations
- Inclusion of specific examples of common fraud risks in the policy
- Fraud and Corruption policy to align and address the fraud and corruption aspects of an integrity framework
- Future policy reports should include:
  i. Implementation plan for rolling out the policy.
  ii. Awareness and training initiatives for staff.
  iii. Monitoring mechanisms to ensure compliance.

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Receive and note Council’s updated Fraud and Corruption Control Policy (Dec 2025).
2. Note no reports of Fraud and Corruption in last quarter.

6.10. 2026 Annual Workplan

Presenter Patrick O'Gorman – Senior Governance Coordinator

A brief overview of the report was provided

Discussion was held on the following:

- Assessment of external auditors to align to completion of financial statements
- Work plan to remain dynamic to allow for emerging risk reporting, oversight of major projects and governance enhancements

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee adopt the 2026 Workplan in Attachment One, subject to the following amendments:

a) Item 22 – Monitor Performance of External Auditor be moved to the September 2026 meeting, and
b) Item 33 – Review BCP and disaster plans and testing outcomes make reference to IT/DRP disaster plans.

6.11. Nomination of Audit and Risk Committee Chair to Council

Presenter	Patrick O'Gorman – Senior Governance Coordinator

This item proceeded after item 5.4 of the agenda.

An overview of the report was provided, including the process prescribed in the Audit and Risk Committee Charter for the election of the Chair. It was noted that given recent changes made to the Audit and Risk Committee Charter, the appointment will be for three years to December 2028.

Lisa Tripodi nominated Kylie Maher as Chair to the Audit and Risk Committee and was seconded by Jeff Rigby.

Committee members unanimously supported the reappointment of Kylie Maher as Chair.

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee nominate Kylie Maher as its Chairperson to December 2028 and request that Council officers submit this nomination to Council for approval at the first Council meeting in 2026.

6.12. Quarterly ERP Update

Presenters **Sandra Sanderson – Chief Information Officer**
Ivan Cubela – ERP IT Program Director

An overview of the report was provided.

Discussion was held on the following:

- Personnel changes and budgetary considerations for the implementation of the project
- BCP/IT DRP risks taken into consideration by the Executive to mitigate foreseen risks
- Change management business processes in place to manage significant process changes and potential resistance due to ingrained operational practices across the organisation
- Loss of critical personnel in the implementation of ERP flagged as a serious risk
- Temporary extensions of legacy system contracts required to maintain continuity during transition flagged by officers as a risk that this is being monitored and assurance provided
- Steering Committee Terms of Reference under review to ensure integrity in decision-making and avoid IT-centric governance.
- Engage ARC Chair to review assurance specifications and requirements.

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Notes the ERP Program Update.

6.13. Monitor performance of external auditor

Presenter	Patrick O'Gorman – Senior Governance Coordinator.

This item proceeded after 6.11 of the agenda.

An overview of the report was provided. Officers flagged that no significant delays or contentious issues were reported. Management praised the quality of engagement and responsiveness of the audit team.

Discussion was held on the following:

- Committee acknowledged smooth delivery of the audit and absence of major issues.
- Suggested future enhancements incorporating audit quality indicators and feedback from both management and the Committee.

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee note the discussion about the effectiveness of the external audit program.

6.14. Internal Audit Report - Property Leases and Licences

Presenter	John Brockway – Chief Financial Officer

An overview of the report was provided.

Discussion was held on the following:

- Overholding leases present financial and compliance risks
- Recommended progressive milestones for assurance rather than waiting for full completion in 12 months.
- Committee requested adding a risk rating column for reporting clarity and prioritisation.
- Key dependency risks highlighted
- Breakdown of long-term actions into progressive milestones to provide interim assurance and Internal Auditors to challenge management on milestone setting for actions

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Receive the Property Leases and Licences internal audit report as found in attachment 1, and
2. Notes the management actions assessed in the attached report as 'high' and 'medium' risk be added to the list of actions arising from previous audits for ongoing monitoring.

6.15. Internal Audit MAP - HR Recruitment and Selection

Presenter	John Brockway – Chief Financial Officer

An overview of the report was provided.

Discussion was held on the following:

- Emphasis on pre-employment screening to include mandatory compliance checks, e.g. Working with Children checks, police checks, qualifications
- Recommended reviewing reporting and oversight mechanisms for recruitment compliance.
- Internal Audit to focus on how Council monitors compliance continuously rather than "point in time" testing including onboarding and screening.
- Importance on credential verification for agency staff and record-keeping, with audit trails for compliance checks
- Alignment of work to integrity and compliance obligations under legislation

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee accepts the Memorandum of Audit Planning for HR Recruitment and Selection.

Action 26/09: Circulation of the updates to be provided out of session to provide clarity on current compliance monitoring

6.16. Internal Audit Report - Purchasing and Fuel Cards

Author	John Brockway – Chief Financial Officer
Authoriser	General Manager Corporate Services (Acting)

An overview of the report was provided. It was confirmed that management agreed to the recommendations.

Discussion was held on the following:

- Leveraging the audit undertaken for this report to review other procurement practices, including low-value items procurement
- Mandatory training to be examined for all staff who have access to purchase cards
- Recommended reinforcing compliance culture and consequences for breaches
- The need to determine policy position on use and authorisations of credit cards
- Assurance on current systems and how control gaps are tightened
- Internal Audit to challenge management to provide earlier completion milestones for assurance

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee:

1. Receive the Purchasing and Fuel Card internal audit report as found in attachment 1, and
2. Notes the management actions assessed in the attached report as ‘high’ and ‘medium’ risk be added to the list of actions arising from previous audits for ongoing monitoring.

7. Information Only Reports

Items listed here are provided for the Committee's information only. Discussion of these items was by exception.

7.1. Report on Gifts, Benefits, Hospitality and Councillor Expenses

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee note the report on Councillor gifts, benefits, hospitality and expenses.

7.2. Management Response to Recent Reports and Publications

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee note the management responses provided in this report

7.3. Quarterly Update: Financial Sustainability Advisory Committee

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee note the minutes arising from the Financial Sustainability Advisory Committee meeting found in Attachment 1.

7.4. Q1 2025 2026 OHS Update

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee note the Quarter 1 2025/26 OHS Update.

7.5. Distribution of annual Audit and Risk Committee Self-Assessment Questionnaire

RESOLUTION BY AGREEMENT

That the Audit and Risk Committee note this report.

8. Meeting Close

The meeting closed at 1.30pm.