Minutes

Council Meeting

Tuesday 15 October 2024 at 6:00 pm

Council Chambers (and by video conferencing)
East Gippsland Shire Council Corporate Centre
273 Main Street, Bairnsdale 3875

Councillors	Tom Crook (Mayor), Jane Greacen OAM (Deputy Mayor), Arthur Allen, Sonia Buckley (Online), Mark Reeves, Trevor Stow, Mendy Urie, Kirsten Van Diggele and John White

Attachments referenced in these minutes can be located in the meeting agenda on East Gippsland Shire Council's website.

Vision

East Gippsland is an inclusive and innovative community that values our natural environment, puts community at the centre of Council decision-making, and creates the conditions in which communities can thrive.

Our Strategic Objectives

1. An inclusive and caring community that respects and celebrates diversity.
2. Planning and infrastructure that enriches the environment, lifestyle, and character of our communities.
3. A natural environment that is managed and enhanced.
4. A thriving and diverse economy that attracts investment and generates inclusive local employment.
5. A transparent organisation that listens and delivers effective, engaging and responsive services.

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1 Procedural

1.1 Recognition of Traditional Custodians

Mayor, Cr Tom Crook welcomed all to the Council meeting and acknowledged the traditional owners.

East Gippsland Shire Council acknowledges the Gunaikurnai, Monero and the Bidawel people as the Traditional Custodians of this land that encompasses East Gippsland Shire, and their enduring relationship with country. The Traditional Custodians have cared and nurtured East Gippsland for tens of thousands of years.

Council value their living culture and practices and their right to self-determination. Council pays respect to all Aboriginal and Torres Strait Islander people living in East Gippsland, their Elders, past, present, and future.

1.2 Apologies

Nil

1.3 Declaration of Conflict of Interest

Nil

1.4 Confirmation of Minutes

Motion

That the minutes of the Council Meeting held Tuesday 10 September 2024, and the Unscheduled Council Meeting held Tuesday 24 September 2024 be confirmed.

Moved: ***Cr Mark Reeves***
Seconded: ***Cr Mendy Urie***

CARRIED UNANIMOUSLY

For:	Cr Arthur Allen, Cr Sonia Buckley, Cr Tom Crook, Cr Jane Greacen OAM, Cr Mark Reeves, Cr Trevor Stow, Cr Mendy Urie, Cr Kirsten Van Diggele and Cr John White
Against:	Nil
Abstained:	Nil

1.5 Next Meeting

The next Council Meeting is scheduled to be held on Tuesday 3 December 2024 at the Corporate Centre, 273 Main Street Bairnsdale commencing at 6.00 pm

1.6 Requests for Leave of Absence

Nil

Procedural Note

At this point in proceedings, Mayor Cr Tom Crook acknowledged the following students who observed the meeting from the public gallery as part of their Rotary Junior Community Awards program:

- Adanna Otounye - Gippsland Grammar
- Eliza Kyle - St Mary's Primary School
- Evie Filtness - St Mary's Primary School
- Luca Webster - St Mary's Primary School

To acknowledge their participation in this community program, the Mayor presented the students each with a Council pin.

1.7 Items for Noting

Items tabled in this section of the Agenda do not require Council to make a decision. Accordingly, they are not Prohibited Decisions as defined in section 69(2) of the *Local Government Act 2020*, or Major Decisions as defined by Council's Election Period Policy.

In accordance with section 54(5)(b) of the *Local Government Act 2020*, a copy of the Audit and Risk Committee Annual Performance Report 2023/24 is to be tabled and subsequently recorded in the minutes of the meeting.

Attachments

1. Audit and Risk Committee Annual Performance Report 2023/24 [**1.7.2.1** - 13 pages]

2 Deferred Business

Nil

3 Officer Reports

3.1 Business Excellence

3.1.1 Council Meeting Resolution Register

Authorised by General Manager Business Excellence

Confidential Notice

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, the information contained in **Confidential Attachment 2** and **4** to this report are confidential because it contains confidential meeting information, being the records of meetings closed to the public under section 66(2)(a).

Election Period Statement

The recommended decision is not a Prohibited Decision as defined in section 69(2) of the *Local Government Act* 2020, or a Major Decision as defined by Council's Election Period Policy.

Motion

That Council receives and notes this report and all attachments pertaining to this report.

Moved: ***Cr Mark Reeves***
Seconded: ***Cr Trevor Stow***

CARRIED UNANIMOUSLY

For: Cr Arthur Allen, Cr Sonia Buckley, Cr Tom Crook, Cr Jane Greacen OAM, Cr Mark Reeves, Cr Trevor Stow, Cr Mendy Urie, Cr Kirsten Van Diggele and Cr John White
Against: Nil
Abstained: Nil

3.1.2 Draft Annual Report 2023-24

Authorised by General Manager Business Excellence

Election Period Statement

The recommended decision is not a Prohibited Decision as defined in section 69(2) of the *Local Government Act* 2020, or a Major Decision as defined by Council's Election Period Policy.

Motion

That Council:

1. ***receives and notes this report and all attachments pertaining to this report; and***

2. ***adopts the Annual Report 2023-24 provided at Attachment 1.***

Moved: Cr Mendy Urie
Seconded: Cr John White

CARRIED UNANIMOUSLY

For:	Cr Arthur Allen, Cr Sonia Buckley, Cr Tom Crook, Cr Jane Greacen OAM, Cr Mark Reeves, Cr Trevor Stow, Cr Mendy Urie, Cr Kirsten Van Diggele and Cr John White
Against:	Nil
Abstained:	Nil

4 Urgent Business

Nil

5 Confidential Business

Nil

6 Close of Meeting

Mayor Cr Tom Crook declared the Council Meeting closed at 6.26 pm.

Audit and Risk Committee

Annual Performance Report

2023/24

EXECUTIVE SUMMARY

This report outlines the results of the Audit and Risk Committee's (the Committee) annual performance review for 2023/24. The Audit and Risk Committee Charter (the Charter) requires the Committee to review its performance against the requirements of the Charter each year and to provide the analysis to the Council.

The annual performance review is discussed with Council at a joint briefing session and a Council report is tabled by the Chief Executive Officer providing an overview for consideration at the next Council meeting.

The Committee met in July to discuss the results of the performance review which was conducted using a survey to elicit feedback on the key elements of the Charter and operation of the Committee. Generally, responses indicated the Committee is meeting the expectations of those involved in its operation.

The Committee thought that it is generally working well and the Committee's observations are summarised below:

- In this year's review the discussions were broadly based and focussed on how the Committee could best provide value by working with Councillors and Council Staff. The Committee is operating effectively within the Charter which provides clarity of its role and to be more strategic.
- The Committee felt that the in-camera pre-meetings are an invaluable tool in helping to focus on issues of importance during the formal meeting.
- An opportunity for the Committee skill development and understanding may be to leverage off other Gippsland Councils Committees to increase Councillor and Independent Member financial literacy and increase the skill set.
- The Committee has full support from Officers during discussions and feel comfortable raising questions. It was also noted, the culture of the Committee has grown over the last two years and an element of trust has been formed which demonstrates the current effectiveness of the Committee.

Background

The Charter requires the Committee to conduct annually, an evaluation of the performance of the Audit and Risk Committee against the Charter and provide a report for the Chief Executive Officer to table at the next Council meeting.

The process undertaken for the review is summarised as follows:

1. A questionnaire on the performance of the Committee was completed by individual Committee members, Councillors who do not sit on the Committee and Senior Officers.
2. Discussion on the collated responses by the Committee at a special members-only session was held on 22 July 2024. The meeting was facilitated by the Committee Chair.
3. This Report outlining the findings of the performance review, is prepared by the Chair and circulated electronically to Committee members for review and endorsement in August 2024.
4. This Report is to be discussed informally at a joint meeting between Councillors and Audit and Risk Committee members at a meeting to be held 24 September 2024.
5. A Council Report providing a summary of the performance review (incorporating this Report and feedback from the discussion with Councillors) is to be tabled by the Chief Executive Officer for consideration by Council at the next available Council meeting.

The evaluation questionnaire completed by survey respondents covered the following areas of the Committee's operations:

- strengths and weaknesses of the Committee over the past 12 months and key focus areas for the next 12 months;
- the Committee's understanding and conduct of its required duties;
- the appropriateness of the Committee charter;
- the mix of skills within the Committee; and
- the conduct of meetings and administrative matters.

The evaluation questionnaire (refer **Attachment 1**) was provided to the four groups: Independent Committee Members; Councillor Committee Members; Senior Officers and Councillors who do not sit on the Committee. The feedback received was used to evaluate the Committee's performance.

In analysing the feedback from the review, it should be emphasised that the scope for meaningful statistical analysis is very limited. This is because the sample size is small and not necessarily representative. Eighteen people were eligible to complete the survey and nine people chose to respond (50%).

Category	Number Surveyed	Responses Received
Independent Committee members	4	2
Councillor Committee members	3	3
Councillors (non-Committee members)	6	2
Senior Officers	5	2
Total	**18**	**9**

By necessity, the primary focus of the evaluation is on considering and interpreting comments, especially the issues and suggestions they highlight.

Discussion

Beyond the broad themes identified in the Executive Summary, the review provided an overview of the functioning of the Committee during the 2023/24 period. Taking these areas of performance in turn, the responses are summarised below.

Findings from the review

What does the committee do well? (Q2)

The Committee continues to be perceived by those responding to the survey, as engaged and respectful while thoroughly reviewing the prepared papers. The in-camera pre-meetings of the Committee are seen to be valuable for all members being able to gain an insight into other members attitudes and in prioritising agenda items so sufficient time is allocated to those areas of most critical importance and requiring extensive discussion by the Committee.

Survey respondents noted the Committee challenges Management in a probing, yet respectful manner with all members of the Committee contributing equally to meetings.

A response also indicated that the agenda is more in-depth and forward-looking with strategic focus areas and emerging issues.

Positive comments relating to what the Committee are doing well were made by all respondents.

Are there any specific tasks or functions the Committee could undertake in a better way? (Q3)

For the second year in a row, it has been noted that whilst a wrap up post meeting for Councillor feedback is conducted without Officers present, the feedback in the survey indicated reporting from the Committee to Council, wasn't meeting one Councillor's expectations. It is understood a verbal update is provided to Councillors post meeting. An opportunity has been identified that a template could be developed and populated by Officers during or post the meeting to encapsulate the information to be provided to other Councillors not present at the Committee meeting.

A respondent noted it would be beneficial if Committee members have questions related to the reports, that the questions are provided ahead of the meeting to ensure a response can be provided prior to or at the meeting. This is to ensure the agenda items and the discussion fits within the Committee Charter. The papers would need to be presented earlier than is currently being provided to allow members the time to provide the questions noting Officers can take questions on notice in the meeting. Responses can be circulated out of session if necessary.

As the timeframes are not conducive to allow Councillors (who have both Audit and Risk Papers and Councillor Briefing papers) to review prior to a Committee meeting, and the Independent members may not have the time to read the papers until the weekend preceding the meeting providing questions ahead of time, is not feasible. All Officers are provided the option to take a question on notice, if required and the responses can be circulated out of session or at the next scheduled Committee meeting.

It is noted there has been a change in the Chief Executive Officer and key Executives during the 12 months leading to the survey and the relationships and collaboration during this time has not diminished as all are working towards the best outcome for Council.

An additional action for Officers is to explore whether there is an opportunity for those Councillors who have not presided or attended an Audit and Risk Committee meeting to observe the meeting. This will provide the Councillors with a greater understanding of what is within the remit of the Audit and Risk Committee.

Thinking about what the organisation does to assist the Committee to meet its responsibilities, is there anything Council or Council Officers should stop doing; start doing; do more or do less? (Q4)

Communication and administration of the Committee has developed positively with the appointment of the current Independent Members and Councillors. The Committee members noted the Committee is working effectively and has continued to grow and develop communication within the last 12 months.

There is an ongoing concern with the number of outstanding audit actions and the length of time for completion of actions. It is pleasing these are being discussed with the Chief Executive Officer (through the Chair).

Continued liaison with the Chair ensures the agenda includes items which are required to be presented and any other matters are discussed to determine if they are relevant. This is particularly relevant to include learnings/insights from VAGO and other bodies such as IBAC. It is imperative Audit and Risk Committee members are kept up to date with any emerging risks and issues affecting Council in order to discharge accountabilities and responsibilities of their roles within the scope of the Charter.

The Committee noted there has been a new Chief Executive Officer, members of the executive and governance staff within the last twelve months and notes there has been a continued level of collaboration. The collaboration is noted to be working towards what is the best outcome for East Gippsland Shire.

An opportunity for improvement would be the development of a template to be used for the post meeting wrap up for other Councillors to ensure there is a consistent approach for information being presented post any Committee meeting. It would be beneficial for this template to be developed with the Governance team. Further, there may be an opportunity for those Councillors who have not been involved in a Committee meeting to be an observer of the meeting. This will increase the Councillor observation of the Committee and allow them to obtain a greater understanding of what is within the scope of a meeting.

The Committee members take on board the development of the papers can be time consuming however there needs to be a balance between what Officers assume the Committee want and what is required. Standing items are required as part of the Committee's annual work program and are required for Committee oversight, however there is an opportunity to review reports being presented and whether the required level of detail is essential.

Thinking about the way the Committee operates, is there anything the Committee or Committee members should stop doing; start doing; do more or do less? (Q5)

Overall, responses relating to how the Committee operates was favourable with minor suggestions relating to:

- more succinct verbal reports;
- further discussion relating to financial matters; and
- feedback to be provided by Independent Members to the Councillor cohort relating to
    - What is working well within East Gippsland Shire; and
    - Would a face to face visit be beneficial to East Gippsland Shire annually for fostering relationships?

What should be the key areas of focus for the Committee during the next 12 months? (Q6)

Respondents recommended key areas of focus for the next 12 months include:

- Financial stability and ethical investments;
- Strategic Risk Internal Audit and the related internal control environment (Risk Management System);
- The Committee to be included in the induction of the new Councillors (once elected). This would not be appropriate and Councillors should be provided the Charter as part of their induction;
- Legislative changes and their impact and accountability of compliance;
- Legal, financial, health, environmental risks of Climate Change which will be tackled as an emerging risk; and
- Ensure the Committee is meeting its objectives and is across any emerging risks and have a good understanding of the mitigation strategies proposed by Management.

Do you believe that Strategic Focus Area presentations are beneficial in supporting the Committee, individually and collectively? (Q7)

Respondents noted:

- The presentation from Maddocks on Climate Change was well received and informative.
- The agenda is full and must deal with what is within the Charter and whilst the presentations are informative, they are taking away from discussions on key agenda items.
- Strategic focus areas enable the Committee to focus on high level and broader issues impacting Council beyond financial.

An opportunity for improvement would be an annual calendar of what strategic presentations are scheduled and Committee members could identify and flag anything they wish to be included due to industry reports etc…

Is there anything about the Committee's Charter and/or membership arrangements that you believe needs to be changed? (Q8)

It was noted by respondents that there is a good balance at present however;

- Is there optimisation between the number of Independent Members and Councillors currently on the Committee. Would there be any benefit in reviewing the number of Councillors in the future?
- Would the Charter benefit from an annual review post adoption or completed every two years as a standard similar to what other Council's do?
- Whilst full reference checking of prospective members is conducted, is there an opportunity to seek an understanding as to whether commitment may be of an issue for members?

The Committee's responsibilities are in the areas of: Risk Management; Internal Control; Financial Reporting; and Performance Reporting. The Committee liaises with Council, the external auditor and the internal auditor where required. (Q9)

The respondents generally agreed that the Committee adequately understands, and reviews matters within its responsibility. In addition, there was general, but not universal, agreement that the Committee adequately understands and reviews:

- Council's financial and performance reporting requirements;
- Council's compliance with relevant laws and regulations; and
- Management's systems and arrangements for maintaining effective internal controls.

Understanding Council's legislative and compliance may not be fully visible to the Committee with the absence of a central system or whether the Committee can truly have visibility across them all. All Committee members are presented with the Local Government Performance Reporting Framework results as well as the Governance and Management Checklist and Financial Statements audit.

The Members understand that it can be disappointing for Officers when they put the time and effort into producing and presenting their reports when no or few questions and feedback/or advice to Council is provided. The absence of questions does not reflect poorly on the information being presented, but positively, given the members have felt the report is providing the necessary detail to gain comfort.

Audit and Risk Committee Skills and Understanding (Q10)

The respondents indicated that the Audit and Risk Committee members generally understand the Shire's business sufficiently to fulfil their responsibilities under the Charter and possess the necessary skills to perform their responsibilities, including financial literacy.

There are opportunities for improvement in this area and perhaps probing into specific topics may be an area for improvement.

A further opportunity for Committee skill development and understanding may be to leverage off other Gippsland Councils Committees to increase Councillor and Independent Member financial literacy and increase the skill set. An assumed level is a potential barrier to participation in the Committee meetings by other Councillors.

Meeting Administration (Q11)

It was generally agreed that meeting administration enables well run and productive meetings, and agendas reflect the key responsibilities of the Committee, whilst allowing sufficient time for discussion.

It is noted the pre-meeting and post meeting is critical prior to the Committee meetings.

Further feedback from the Chair and Independent Members is noted as an area for improvement.

An opportunity for improvement would be the development of a template to be used for the post meeting wrap up for other Councillors to ensure there is a consistent approach for information being presented post any Committee meeting. It would be beneficial for this template to be developed with the Governance team. Further, there may be an opportunity for those Councillors who have not been involved within the Committee to be an observer of the meeting. This will increase the Councillor observation of the Committee and allow them to obtain a greater understanding of what is within the scope of a meeting.

Although the members appreciate a lot of time is taken in preparing the papers, is there an opportunity for papers to be provided to members sooner? Given the detail involved in the reports and to allow for a thorough read through, it would be beneficial to have the papers at least a week ahead of the schedule.

Committee Observations

The Committee discussed these and provided the following observations:

- In this year's review the discussions were broadly based and focussed on how the Committee could best provide value by working with Councillors and Council Staff to East Gippsland Shire. The Committee is operating effectively within the new Charter which has improved its clarity of role and be more strategic.
- The Committee felt that the in-camera pre-meetings are an invaluable tool in helping to focus on issues of importance during the formal meeting. The Councillor Cohort noted however they would like to be presented with greater information post meeting.
- Further, the Committee believes that its efforts on continual improvement should make it more responsive to Council needs within the time constraints imposed by infrequent meeting.
- When completing the survey, it would be beneficial for survey participants to provide comments to the question they are providing a response to rather than using “as above”. Using “as above” reduces the visibility as to which question the comment would be applicable to.
- It is acknowledged the sample size of the survey and the number of respondents doesn’t always give a clear indication of the output and delivery of the Committee. It is inherent with a smaller cohort of those involved.
- It was felt the Committee has full support from Officers during discussions and feel comfortable raising questions. It was also noted, the culture of the Committee has grown over the last two years and an element of trust has been formed which demonstrates the current effectiveness of the Committee.

Attachments

1. Audit and Risk Committee Annual Performance Questionnaire 2023/24

Questionnaire Information

This questionnaire has been prepared to assist in assessing the Audit and Risk Committee's performance. Responses must be submitted by 5pm Monday 24 June 2024.
The questionnaire is intended to be completed online by the seven Committee Members, Senior Officers who are regular participants at the meetings and all Councillors (Non-Committee Members).
Questions 1–8 are designed to obtain general views about the Committee and where it should focus over the next 12 months.
Questions 9-11 contain more specific questions. In response to every statement, respondents are asked to indicate whether they Agree, Disagree or Don't Know. These sections also provide an opportunity to include comments and/or suggestions for improvement.
If respondents Don't Know, or don't feel qualified to answer specific questions, these fields can be left blank. However, where the Disagree response is chosen, respondents are asked to provide the reasons why they disagree in the comments section provided.

* 1. What is your role on the Audit and Risk Committee?

- ◯ Independent Committee Member
- ◯ Councillor Committee Member
- ◯ Councillor (Non-Committee Member)
- ◯ Senior Officer

2. What does the Committee do well?

3. Are there any specific tasks or functions the Committee could undertake in a better way? (If YES, please specify what they are)

4. Thinking about what the organisation does to assist the Committee to meet its responsibilities, is there anything Council or Council Officers should: stop doing; start doing; do more or do less?

5. Thinking about the way the Committee operates, is there anything the Committee or Committee Members should: stop doing; start doing; do more or do less?

6. What should be the key areas of focus for the Committee in the next 12 months?

7. Do you believe that Strategic Focus Area Presentations are beneficial in supporting the Committee, individually and collectively?

- ◯ Yes
- ◯ No

Please provide any comments you may have in relation to Strategic Focus Area presentations.

8. Is there anything about the Committee's Charter and/or membership arrangements that you believe needs to be changed?

9. The Committee's responsibilities are in the areas of: Risk Management, Internal Control, Financial Reporting and Performance Reporting. The Committee liaises with Council, the external auditor and the internal auditor where required.

	Agree	Disagree (Please describe why in the section below)	Don't Know
The Committee adequately understands and reviews Council's financial and performance reporting requirements.	○	○	○
The Committee adequately reviews the effectiveness of the system for monitoring Council's compliance with relevant legislation and regulations.	○	○	○
The Committee understands and reviews management systems and arrangements for maintaining effective internal controls, including in respect of audit plans, audit reports and identified issues.	○	○	○
The Committee adequately understands and reviews the Council's risk management framework.	○	○	○
The Committee understands and reviews whether an effective approach is being followed in managing the Council's strategic	○	○	○

risks.

The Committee meets its obligations under the Charter.	◯	◯	◯

If you selected DISAGREE with any of the above statements, please describe why in this section.

10. Audit and Risk Committee Skills and Understanding

	Agree	Disagree (Please describe why in the section below)	Don't Know
The Committee sufficiently understands the Shire's business to enable the Committee to fulfil its responsibilities under the Charter.	○	○	○
The mix of skills on the Committee allows it to effectively perform its responsibilities.	○	○	○
The Committee's overall financial literacy is adequate in light of the Committee's responsibilities.	○	○	○
The Committee has responded appropriately (eg framed a recommendation for consideration by Council or the CEO) where significant risks and/or control breakdowns have been identified.	○	○	○
The Committee has been sufficiently probing and challenging in its deliberations.	○	○	○

If you selected DISAGREE with any of the above statements, please describe why in this section.

11. Meeting Administration

	Agree	Disagree (Please describe why in the section below)	Don't Know
Committee meetings are well run and productive.	◯	◯	◯
Meeting agendas are structured to ensure that over the course of the year, all key responsibilities in the Charter are addressed.	◯	◯	◯
Meeting agendas allow sufficient time to discuss the most complex and critical issues.	◯	◯	◯
The Committee agendas and supporting papers are of sufficient clarity and quality to make informed recommendations.	◯	◯	◯
Committee minutes are appropriately maintained, of good quality and distributed in a timely manner.	◯	◯	◯
Committee communications to Council about the Committee’s activities are of an appropriate quality and Council is kept well informed on a timely basis of the Committee's deliberations.	◯	◯	◯

If you selected DISAGREE with any of the above statements, please describe why in this section.