

Environment Advisory Committee Minutes



Date: Wednesday 6 July 2016
Time: 7pm
Venue: Candlebark Room, Civic Centre, Greensborough
Chair: Cr Anika Van Hulsen
Minute taker: Pat Vaughan, Exec. Officer Sustainability and Environment

Order of business

1. Attendance

Cr Anika Van Hulsen, Cr Michael Young, David Nicholls, John Huf, Joy Bell, Robin Gardner, Sarah Hunter, Stephen Hadley

Officers: Pat Vaughan, Manager Environmental Services: Stacey Warmuth, Environmental Works Coordinator;

2. Apologies

Brent Collett, Janet Mattiske

3. Conflict of interest

Nil

4. Confirmation of minutes of previous meeting

The minutes of the meeting held 6 April 2016 were confirmed as a true and accurate record of the meeting. Moved David, seconded John. Carried

	Details	Action
5. Matters arising from the Minutes	<p>Robin had wanted more feedback on the matter of Council not investing in banks that support fossil fuel companies. Further to previous advice, it is clarified that Council considered an Investment Policy report to Council on 23 February which addressed this matter.</p> <p>That report introduced a new clause (4.5 Environmentally Sustainable Investments). Under this clause, preference will be given to financial institutions maintaining environmentally sustainable investments, provided that this does not compromise Council in terms of risk or the rate of return on investment.</p> <p>A key aspect of this approach will be to seek investments with banks that do not invest in the fossil-fuel industry, provided that the other requirements of the policy in regard to risk and return are satisfied. Quarterly financial reporting will be provided regarding the extent to which Council funds have been invested in those banks which</p>	

	Details	Action
	<p>do not invest in the fossil-fuel industry.</p> <p>Council adopted the Investment Policy but also approved the following recommendation</p> <p>“Proposes the following motion at the next MAV State Council meeting on 13 May 2016:</p> <p>That the MAV explore opportunities for development of financial investment instruments available to local government from banks and other authorised deposit-taking institutions, which would better enable councils to invest with those institutions that do not provide finance to the fossil-fuel industry, while still achieving the necessary standards of investment risk and return.”</p> <p>This has subsequently been adopted by the State Council of the MAV on 13 May 2016, and advice will be provided on progress of the action as it comes to light.</p> <p>Brent Collett provided comment about this (and other matters) in a recent email and this will be discussed further when he is present.</p>	
6. State Government Strategies and Reviews	<p>Pat Vaughan advised that Council had made submissions on the State government’s Biodiversity Strategy, Native Vegetation Clearing Regulations Review and Water for Victoria Report. The latest advice including submissions can be viewed on line at the following links.</p> <p>http://haveyoursay.delwp.vic.gov.au/biodiversity-plan</p> <p>http://haveyoursay.delwp.vic.gov.au/native-vegetation-clearing-regulations</p> <p>http://haveyoursay.delwp.vic.gov.au/water-for-victoria</p> <p>The Flora and Fauna Guarantee Act Review has been held up and it is uncertain when this will be released for public comment.</p>	
7. Sustainability and Environment Unit restructure	<p>Further to the advice provided in the previous minutes, Pat advised that Donna Stoddart had decided not to take up a position in the new structure and had moved on. The committee recorded their appreciation of Donna’s role over so many years and indicated their support for the comments provided in Pat’s email to environmental groups on 19 May. They were also pleased to hear that Donna had obtained a position as coordinator of the roll out of the NDIS program in the local region.</p>	
8. ESO Review update	<p>Pat Vaughan updated the committee on the status of the ESO amendment C101. After several meetings attended by a large number of people variously concerned about the overlays, Council approved the amendment being referred to an independent Panel, which is expected to meet in August.</p> <p>Council has determined that people could continue to make submissions until 30 July and these will be</p>	

	Details	Action
	<p>considered when Council presents to the Panel. Landowners could also request a further assessment by a Council ecologist and an independent ecologist to ensure the accuracy of the assessment of their land and to correct any errors in mapping. This is proceeding now.</p> <p>Sarah Hunter raised concerns about the latest advice provided to affected landowners in that it did not indicate the actual location of the property concerned or the ESOs that were under consideration. Pat advised that the information had been provided to people to clarify a number of matters that had been raised as concerns by the community. This was provided in the understanding that the people receiving the letter had already received the previous advice about what ESOs applied to their property. However, Pat would pass on Sarah's concern to the officers that sent out the advice.</p> <p>John Huf recommended that to avoid much of the communication problems about such planning amendments in the future, it would be good to fully document the process and clarify what worked and what did not.</p> <p>Michael clarified that the C81 amendment had been progressed and was with the Minister for approval.</p>	
<p>9. Conservation Corridors Program status</p>	<p>This program received funding of about \$600,000 over 4 years from the State Government's Communities for Nature Program. Funding for the project has been expended but one-day a week support for the project is being continued for the next year, with Meg Cullen continuing in the project officer role.</p> <p>David advised that the program had worked with Landcare groups to promote the protection and improvement of habitat for rare and threatened species. The works included weed control, pest animal control, specific management for the protection of orchids, fencing to reduce grazing pressure, flora and fauna surveys (including the use of motion sensing cameras), training and workshops, nest box installation and the laying of tiles for use by Common Dunnarts. Over 200 landowners have been involved.</p> <p>Four threatened orchid species have been propagated with assistance from the National Herbarium and the Australasian Native Orchid Society, and suitable sites are now being investigated for the reintroduction of these orchids.</p> <p>Pat advised that given the success of the program, grant funding would be sought to enable this project to continue into the future.</p>	
<p>10. Landcare Facilitator Program</p>	<p>The Nillumbik Landcare Network (and Council as sponsor) is currently awaiting formal written advice approving the continuation of this program, which should</p>	

	Details	Action
status	receive funding for a further three years.	
11. Peri-urban Weed Program (DELWP)	<p>Brad advised that the government has allocated funds of \$4 million over four years for this program, which is in many ways a continuation of the previous Urban Fringe Weed Management Program which Council and local agencies were involved with over the last four to five years. On this occasion it is intended that the funding will be spread across all 16 peri-urban councils, but how it will be allocated is still to be advised. Nillumbik is cooperating with Whittlesea and Manningham councils to work on corridors along the Yarra and the Plenty Rivers, and it is expected that this cooperative effort will encourage a good level of funding.</p> <p>It has also been indicated by the State government that, because of the high quality work undertaken and success of the previous program, Nillumbik was being looked to as a mentor for other Councils yet to be involved. This program concentrates on the collaborative management of weeds on public land, but the government has indicated that it wants more community involvement in decision making. How this will be achieved has yet to be advised.</p>	
12. WSUD assessments by Melbourne Water	<p>Melbourne Water has engaged Alluvium Consulting to undertake assessments of Water Sensitive Urban Design (WSUD) installations across Melbourne and including Nillumbik. It is expected that, once they have reported on the condition and reparation requirements of the facilities, funding will be allocated for improvement works. Council has already received some funding from Melbourne Water that can be allocated to this purpose.</p> <p>The WSUD facilities looked at in Nillumbik included the</p> <ul style="list-style-type: none"> • Civic Drive development • Eltham North Reserve Swale • Circulatory Road Raingarden, and • Alistair Knox Park Wetland. 	
13. Eltham Copper Butterfly Grant Program status	<p>The four year \$459,000 funding of this project has now run out. This was also funded under the Communities for Nature Grant Program.</p> <p>The project encouraged increased community involvement in protection of the butterfly, but most importantly enabled habitat management works to be undertaken that have resulted in a significant improvement in the viability of the butterfly. Prior to the works it was feared that numbers of the butterfly had become so low that it could well go extinct locally. Thinning out of the shrub layer at the various sites around Greensborough and Eltham has created conditions much more suited to the butterfly and its numbers have</p>	

	Details	Action
	<p>responded accordingly.</p> <p>Nicole Drever is completing an evaluation report and will be developing a strategy for how to maintain these excellent results into the future.</p>	
14. Environmental Works update	<p>Brad Tadday will be taking on the Acting Coordinator role, with Stacey Warmuth returning to project work, including the Peri-urban Weed Management program discussed above.</p> <p>A possible integration of the Environmental Works and Open Space teams is being investigated with the hope that the interaction will improve overall efficiency and environmental outcomes.</p> <p>Applications are being prepared for 2 new Green Army teams for 2017-18 and 2018-19. The current team is working very well.</p> <p>The Catchment Management Authority has funded a Food, Fibre and Medicine project at Bunjil Reserve which involves the Wurundjeri land management team. This is part of the increasing momentum for local reconciliation.</p> <p>A draft report on the interpretation of the cultural and environmental aspects of the Panton Hill Reserves has just been received.</p> <p>The Panton Hill Reserves User Group has advertised for members of the advisory committee and there have been 4 renewals and three new nominations.</p>	
15. Sustainability and Environment update	<p>Most matters have been dealt with above.</p> <p>The tender for the project to install solar panels at the Shire offices has been approved and the works should commence shortly.</p> <p>A further draft of the Eltham Integrated Water Management Plan is still being reviewed by staff to determine the practicality and costing of the proposed projects.</p> <p>Funds are being sought from the State Government and other funding sources in an attempt to continue the Landcare Network Facilitator and the Conservation Corridors projects in one way or another.</p>	
16. Next meeting date and location	September 7, 2016 in Candlebark 1 and 2	

The meeting closed at 9.00 pm.

Agricultural Advisory Committee

Minutes



Date: Thursday 14 July 2016
Time 4.00 pm
Venue: Council Chamber, Civic Centre, Greensborough
Chair: Cr Anika Van Hulsen
Minute taker: Tim O'Donnell

Order of business

- 1. Welcome** (attendance and apologies).
Present: Cr Anika Van Hulsen, Cr Ken King, Sue Apted, Barrie Tully, Rob Bassett-Smith, George Apted, Pat Vaughan, Tim O'Donnell.
Apologies: Ross Macmillan, Alex Sutherland
- 2. Conflict of interest and Assembly of Councillor form**
Conflict of interest provisions are contained in section 80C of the Local Government Act 1989, the Councillor's Governance Code, the Employee Code of Conduct and the Volunteer Handbook. An Assembly of Councillor form was completed in accordance with the Act. No Conflicts of interest were declared.
- 3. Minutes of previous meeting**
George Apted noted that he was listed in the previous minutes as non-voting member of the Committee and that this is not correct on the basis that his membership of the Committee is as a nominee of *Leslie Apted and Sons*, in the same way that Barrie Apted was. All present agreed and hence it is now confirmed that George Apted is a voting member of this Committee.
Motion: That the minutes of the meeting of Thursday 12 March 2016 are confirmed as a true and accurate record. Moved- Sue, Seconded- George. Carried.
- 4. Actions arising from previous minutes**
Action 103- Letter of appreciation to Barrie Apted: Pat read out the current draft of the letter and noted that this will be modified to be in the form of a certificate. Some felt that the letter format might be better than a certificate, but in the end all agreed to proceed as Pat had outlined.
- 5. Report on the process for renewal of the Agricultural Advisory Committee**
Pat outlined that he has discussed the best timing for the renewal process with Council CEO Stuart Burdack and he advised that it would be best to leave renewal of the Committee until shortly after the election. Several current

Committee members indicated that they would be interested to continue on the Committee. It was noted that although continuity of membership into the new Council will be important, there are several vacancies to fill and that some new faces on the Committee would be good. Council officers will undertake the groundwork to ensure that the process for Committee renewal occurs as soon as practicable after the election.

6. A report on the Hurstbridge and Eltham Farmers markets

Ken outlined that both the Eltham and Hurstbridge Farmers markets are VFMA (Victorian Farmers Market Association) accredited and they ensure that at least 85% of their stallholders are also VFMA accredited. This accreditation aims to promote and ensure freshly harvested and high quality produce whilst supporting local farmers and directly putting money back into local communities.

Eltham Farmers Market is run by Local Food Connect group. The contact is Chris Chapple who is also Vice president of VFMA. Eltham Farmers' Market is a bi-monthly market, held on the 2nd and 4th Sundays of every month, from 9am to 1pm. Entry is free.

Hurstbridge Farmers Market occurs on the first Sunday of every month except January, from 8.30am to 1pm. This market is coordinated by Nillumbik Shire Council (contact Darko Popovski) and there is a stall-holder committee. Entry is \$2, with proceeds supporting the CFA. Sue Apted noted that although there is a roster for which CFA brigade is booked on for each market, it would be good if reminders were sent to the relevant brigade in the week preceding each market.

7. Update on Amendments C81 Significant Landscape Overlay and C101 Environmental Significance Overlay

Pat reported that C81 has been referred to the Minister for adoption. Regarding C101, there is a matter currently with VCAT which may affect the timing as to when this amendment goes to Panel. However at this stage the directions hearing is set for August 4. The process of Council and independent ecologists visiting properties is still on-going and the timing for the end of receiving written submissions is 30 July.

8. Update regarding the Farm Rate Application Form

Pat had provided the committee with a revised form as agreed with Council's Finance section. Rob suggested several changes to the form, in particular in relation to section 2 and 4. Sue suggested simplifying Section 2 to be more in line with the wording in the Act (on page 1 P1) and switching item a & b in section 4. The Committee agreed to insert the following after the 'new 4a': *If you answered NO to this question then the property is not classified as farm land and you are not eligible for the farm rate.* Tim will draft up the form in light of the suggested changes and check it with the Committee before sending back to revenue services.

9. Discussion regarding potential new projects that the Agricultural Advisory Committee might be able to drive

The Committee members were keen on the idea of working together to develop advisory/advocacy documents regarding issues such as control of deer and or kangaroos in peri-urban areas. It was suggested that this information could then be used to influence programs and actions driven by various level of Government.

Ken suggested that the Committee could also be proactive regarding the control of Indian Mynas, noting that Banyule Council has recently stated that it will actively lead the charge to get Federal and State government support to address this pest animal. Other potential topics briefly mentioned included farm tourism and potential in minimum subdivision sizes in various areas of Nillumbik so as to best promote sustainable and productive farming and land management. This agenda item will be further discussed at the next meeting with ideas to be floated via email.

10. Other items (10 mins).

Rob Suggested that the SAR is due for further review and revisited the idea of reducing the farm size for the SAR to be 2ha (as per the farm rate). It was also noted that there could potentially be a 2-tiered SAR. Officers would look at the implications of various scenarios and provide feedback to the next meeting.

11. Next meeting – 4pm Thursday 8 September, Candelbark Rooms 1 & 2, Civic Centre, Greensborough.

Updated progress list regarding actions arising from previous meetings

Action#	Action	Date initiated	Person Responsible	Status
N/A	Inform Tim O'Donnell ASAP after receiving minutes for the AAC meeting if there are suggested changes. No comments will be regarded as acceptance and the minutes will then be forwarded onto all Councillors.	10/03/16	All	Permanent Ongoing
82	Tim to draft up the Farm Rate Form in light of the suggested changes and check it with the Committee before sending back to revenue services	14/07/2016	Tim	Updated
91	Draft (with Malcolm Hackett) additional statement regarding hay cutting for the 2016 Fire prevention notice.	10/12/2015	Sue	Updated
96	Circulate any updates on RHDV K5 release to all.	10/03/16	Tim	Ongoing
98	Contact Victrack regarding AAC concern regarding excessive Blackberry infestation along rail corridors.	10/03/16	Tim	Initiated-request submitted to Victrack
99	Check records for repeating noxious weed offenders and inform committee of potential enforcement cases	10/03/16	Tim	Completed
102	Pass suggestion regarding an environmental award for Peter Rynia onto the appropriate person.	10/03/16	Tim	Noted
103	Prepare and send an appreciation Certificate for Barrie Apted.	14/07/2016	Pat	Updated
104	Undertake the groundwork to ensure that the process for Committee renewal occurs shortly after election on October 22 (e.g. public advertisement for expressions of interest).	14/07/16	Pat/Tim	Updated
105	Find attendee and stall number figures for the Eltham farmers market.	12/05/16	Ken	Completed
106	Tim to circulate email to committee seeking ideas regarding potential new projects that the Agricultural Advisory Committee might be able to drive.	14/07/16	Tim/All	New
107	Revisit previous minutes regarding the SAR to ascertain when a review is required and whether a reduction in the farm size area eligibility was recommended and what the likely budgetary implication would be.	14/07/16	Tim	New

NILLUMBIK SHIRE COUNCIL
AUDIT COMMITTEE CHAIRPERSON'S REPORT
FOR THE 2015/2016

FINANCIAL YEAR

INTRODUCTION

The Nillumbik Shire Council Audit Committee Terms of Reference require that an Annual Report on the activities of the Committee be presented to Council at the conclusion of each financial year. It is with pleasure that I submit the 2015/2016 Audit Committee Annual Report for the consideration of Council.

The Committee is an independent Advisory Committee to Council established under Section 139 of the Local Government Act 1989 (as amended) (the 'Act').

The key purpose of this Report is to provide you with an overview of the Audit Committee's primary functions; activities and outcomes for the 2015/2016 financial year.

AUDIT COMMITTEE'S TERMS OF REFERENCE

The Audit Committee has several functions, determined by the Council, and are based on the Local Government Best Practice Guidelines and are incorporated in its terms of Reference. In summary they are to:

- assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating good and ethical governance
- assist the coordination of relevant activities of management and internal and external audit
- facilitate effective assessment and management of risks of the Council's and Community's assets
- facilitate compliance with laws and regulations and best practice guidelines
- ensure that an effective and efficient internal and external audit system is maintained by monitoring internal controls and reviewing relevant policies.

COMMITTEE MEMBERSHIP

The membership of the Committee comprises five members – two Councillors and three external, independent members. Committee Membership throughout 2015/2016 was as follows:

Ms Linda MacRae (Chairperson and Independent Member); Cr Ken King ; Cr Meralyn Klein; Mr Roger Male (Independent Member); Mr John Watson (Independent Member). Mr Male resigned from the Committee in June 2016 having served in excess of fourteen years.

The Committee relies on the capable and professional support provided by Senior Management Staff to provide advice on a range of

compliance; control and operational matters. Management also assists the Committee to function effectively by adding value to control processes and systems. We are fortunate to have the benefit and support of excellent Staff, including the Chief Executive Officer; the General Manager Corporate Services; the Finance Manager; the Financial Accountant and the Risk Advisor. Other Senior Staff support the Committee as required.

AUDIT FUNCTIONS

The Audit Committee has a robust audit program that is maturing each year with the emphasis on value added, continuous improvement outcomes to assist the Council in the changing Local Government environment. It is based around the Internal and External functions. The Committee needs to ensure that there is a balance of compliance; internal control and operational audits to enable the Committee to fulfil its obligations under its Audit Terms of Reference. It assists Council in addressing financial; strategic and operational risks and ensuring that Council maintains a reliable system of internal controls.

EXTERNAL AUDITORS

In accordance with the Victorian *Local Government Act 1989*, Council's External Auditor is appointed by the Victoria Auditor General (VAGO). For the 2015/2016 financial year VAGO's contracted Agent, HLB Mann Judd undertook the external audit.

INTERNAL AUDITORS

Council's Internal Auditor is Crowe Horwath which is a highly experienced and professional local government auditing firm. During the 2015/2016 financial year Crowe Horwath completed its ninth year as Nillumbik's Internal Auditors.

ACCOUNTABILITY; GOVERNANCE AND COMPLIANCE

In order to improve the governance processes of accountability; compliance and transparency, in addition to this Annual Report, the Audit Committee submits the Minutes of each of its Meetings to the next available Council Meeting.

The Committee also seeks information from the Chief Executive Officer at each Audit Committee Meeting regarding any breaches or non compliance issues since the last meeting. The Internal Auditor is also required to formally advise if their work had been impeded in any way during the conduct of their audits.

MEETINGS

During the 2015/2016 financial year the Committee met on four occasions:

- 17 August 2015
- 16 November 2015
- 15 February 2016
- 18 May 2016

At these Meetings the Committee considered the following:

(i) INTERNAL AUDITS – REVIEWS OF :

- Segregation of Duties
- Follow up of High Risk Matters raised in prior internal audit reports
- Essential Safety Measures
- Mobile Plant Management
- Councillor Expenses
- Various Financial Functions (Cash Receipting; Payroll; Petty Cash and related data interrogation)
- Fraud Management

Each of the internal audit reports provided detailed recommendations in relation to any risks identified. These risks are rated as high; medium or low and are discussed at length at the Audit Committee meetings to ensure that the Audit Committee Members are comfortable and confident that the responses and actions outlined by Management to the recommendations adequately address the identified risks. An action plan is agreed upon. The Audit Committee has monitored the implementation of these recommendations and actions at each subsequent Audit Committee to ensure that the recommended and agreed audit initiatives are carried out, thus assisting in improving Council's procedural and control environments. This ongoing monitoring also ensures that Council's risk exposure in many areas is brought to the Committee's attention and that there is a management framework to address such issues. VAGO, in its 2014/15 'Local Government Audit Snapshot' recommended that Councils' implement comprehensive Audit Committee monitoring of all audit recommendations. Nillumbik has adhered to this practice for many years, and in fact has continuously improved its reporting to the Committee in this regard.

The Audit Committee also monitors the progress of the Internal Audit Plan at each meeting, with the Internal Auditor presenting a report on the status of this Plan and discussing progress. The relevance and appropriateness of the three year Strategic as well as the Annual Internal Plan is also regularly reviewed to ensure that it meets the needs of the dynamic and challenging Local Government environment. This also ensures that resources are effectively managed. Such an example is the prevention of duplication if another body (such as VAGO or the Ombudsman) propose to undertake a specific Industry Audit that may be similar to an audit that Nillumbik was proposing, the Committee and Management ensures that the internal audit program is adjusted accordingly and that we respond to the recommendations of the Industry audit.

(ii) EXTERNAL AUDIT

Extensive liaison was held with the external auditors (HLB Mann - VAGO Contractor's) in respect of the 2014/2015 financial statements, culminating with the Audit Committee, at its Meeting on 17 August 2015, endorsing the draft General Purpose Financial and Standard and Performance Statements to Council for submission to Council for adoption 'in principle'. The audit results were positive with all relevant accounting disclosures made with unqualified audit opinions received from the Auditor General. These Statements were submitted to the Victorian Local Government Minister by 30 September 2015 as required.

There was one procedural recommendation from HLB Mann Judd in its 2014/2015 Audit Management letter which was promptly acted upon.

The Committee met also met with HLB Mann Judd at its Meeting in February 2016 to discuss the strategy of the proposed external audit for the 2015/2016 financial year. This strategy outlines the mandate from the Auditor General for the financial year and provides details of any specific issues that the Auditor General wishes his agents to address during the audit. The 2015/2016 external audit has concluded and it is anticipated that a clear audit opinion has been issued by the Auditor General.

(iii) MANAGEMENT REPORTS

The Audit Committee provides an advisory, value added service to the Council by being a productive and robust Committee with Members who have a diverse range of experience who can provide objective advice.

The Committee considered a range of Management Reports during the year, incorporating the following:

- Council's Quarterly Finance Reports - The Committee receives Council's quarterly financial reports. These reports are very comprehensive and provide assurance to the Committee that Council is adequately informed of the status of the annual Budget as well as other important financial information. The Committee is also assured that Council's financial management practices are robust and meet legislative and stewardship requirements.
- Procurement Policy Compliance - This was a new report provided to the Committee in the past year. It includes important information regarding compliance with Council's Procurement Policy as well as details about current and proposed Contracts.
- Status of the implementation of outstanding audit reports - This report has been improved considerably during the past year to provide further clarity about the implementation of any

outstanding audit recommendations with a clear path forward being outlined

- Asset Management - The Committee is regularly updated on the status of Council's Asset Management practices and progress with its Asset Policies and Industry Standards,
- Rate Arrears - A report providing high level details regarding Councils' rate arrears provided assurance that these outstanding debts are being managed appropriately.
- Rate Capping - At each Audit Committee Meeting during the past year, Management has provided an overview of the implications facing Nillumbik with the introduction of the State Government's new rate capping framework. This has enabled the Committee to ensure that any risks associated with the implementation of this new legislation were being managed by Council in a financially sustainable manner.
- Local Government Performance Reporting Framework - The Committee received regular updates on the implementation and effects of the second year of the Local Government Performance Reporting Framework. The Committee will continue to monitor this activity via the formal process at the end of the financial year when the Performance Statement is presented to the Committee and during the course of the year via management updates when appropriate.
- Risk Management and Insurance - The Committee provides an active oversight of Council's risk management framework by considering regular reports on these issues to ensure that Nillumbik's exposure to strategic and operational risks are being managed appropriately. The Committee also receives reports and statistics relating to insurances and Occupational Health and Safety (OH & S). During the past twelve months the Committee has received significantly improved 'Risk and Insurance' Reports, in particular the improved 'Risk Register Report' that provides vital information on Council's major risks including the risk rating, prior to and after, the control assessment and control actions. This ensures that the Committee is informed of the status of how Council is managing its identified risks.
- Alerts on any impending legal action, legislation breaches or fraudulent activity. The Victorian Local Government Act is currently under review. Industry consultation is occurring. The new Act may require the Audit Committee to take additional actions regarding some of Council's functions. Any additional Audit Committee requirements will be added to the Committee's Terms of Reference and acted upon.
- VAGO released its 2014/15 Audit Results in November 2015. There were eight recommendations for Council's to consider, covering Audit Committee's monitoring of the implementation of audit recommendations; managing and monitoring the rate of capital and renewal spending; annually reviewing landfill sites for

remediation and aftercare costs; developing performance statement preparation plans and setting performance indicator targets and several recommendations regarding Developer Contributions. The Committee was provided with a detailed report outlining Nillumbik's responses to these VAGO recommendations.

- The Committee receives a copy of Council's Budget and Strategic Resource Plan. This ensures that the Committee is aware that Council continues to operate in a financial framework that is achievable in the current economic climate that provides ongoing financial stability and sustainability.
- Local Government Legislation is reviewed and updated by the State Government on an ongoing basis. The Committee provides comments on relevant legislation and any emerging issues to ensure that any implications for Nillumbik are addressed. In particular during 2015/2016 the Committee received several presentations regarding the second year of the implementation of the Local Government Performance Reporting Framework. The Committee was also advised of the review HACC services; as well issues associated the forthcoming Council Elections such as the 'Election period Policy' and the 'Councillor Code of Conduct'.
- At the Meeting in November 2015 the Committee considered the reviews of several Finance Policies : Sundry Debtor; Asset Lifecycle; Minor Assets; Investment and Purchase Cards.

In February 2016 the Procurement Policy and Petty Cash Guidelines were reviewed.

In May 2016 the following Policies were reviewed: Cash Handling and Receipting; Financial Hardship and Councillor Resources and Expenses.

These Policies; Procedures and Guidelines were comprehensively reviewed by Management to more accurately reflect better practice and improve the control processes and procedures involved.

2016/2017 OUTLOOK

In 2016/2017 the Audit Committee will continue its work with the Internal Audit program including comprehensive reviews of several critical areas, including Leisure Centres; Parks and Gardens (tree management); Financial Controls and Parking Enforcement/Administration .

The Audit Committee will conduct meetings with the external auditor in relation to the Financial and Performance audits and give formal consideration to the Financial and Performance Statements.

The new three year Internal Audit Strategic Plan that was agreed to at the meeting on 16 May 2016 is reviewed at least annually to ensure that it addresses the most current compliance; internal control and operational audit requirements.

CONCLUSION

In summary, the 2015/2016 year was again a very productive year with the Audit Committee considering a large range of reports and issues relating to Council's reporting, accountability, control and risk management objectives and obligations.

As outlined in this report, I believe the Audit Committee has performed a valuable oversight role for Council during the 2015/2016 period. It is a very robust Committee with the objective of adding value through the diverse experience and knowledge of its members. The Committee continues to oversee the Internal and External Audit functions of Council and the risk management framework. It also considers relevant policies and receives Management reports on Local Government Industry issues when appropriate.

The Committee is of the view that Council's financial, governance, and risk control environments and associated systems continue to remain strong as a result of the control framework in place. However continuous improvement in these areas is ongoing to ensure that the Council operates within a best practice framework that maintains this strong control environment.

The Committee will ensure that it is informed of any applicable matters raised by the Victorian Auditor General; Victorian Ombudsman, the Local Government Investigations and Compliance Inspectorate; the Independent Broad-based Anti-Corruption Commission or the Office of the Victorian Inspectorate.

The Committee will take an active interest and stay informed on proposed changes to the Local Government Act 1989 particularly in relation to the proposed directions of expanding the scope and role of Audit Committees.

On behalf of all Audit Committee members, I would like to express sincere thanks to the Staff of HLB Mann Judd for their work in the conduct of the external audit, and to the internal auditor Crowe Horwath for their significant contribution into the internal audit program where business improvement recommendations were made which will ensure that Council's internal controls and processes are continually improved.

I particularly wish to thank Council's Chief Executive Officer, Mr Stuart Burdack; General Manager Corporate Services, Mr Andrew Port; the Finance Manager Mr Vince Lombardi and the Financial Accountant, Ms Melika Sukunda and the Risk Advisor, Craig Commene for their support, professional advice and focus on achieving continuous

improvement outcomes. I also extend the Committee's thanks to all the Council Officers who have assisted the Audit Committee in a professional manner during the year.

I thank all my fellow Audit Committee Members - Councillors and External Members for their participation, diligence, professionalism and contribution throughout the 2015/2016 financial year. I particularly wish to thank Mr Roger Male for his outstanding service to the Committee. Mr Male's extensive private and government experience made a significant contribution to the achievements of the Committee throughout his entire term. We look forward to the continuation of a very strong working relationship with the Council and staff during the 2016/2017 financial year.

I commend this Audit Committee Annual Report to the Council.

Yours faithfully,

Ms LINDA MACRAE
Independent Audit Committee Chairperson