



Ordinary Meeting of Council

3 May 2021 7.00pm

ATTACHMENTS

7.4 Audit & Risk Committee Minutes - Meeting 12 March 2021

Attachment 1. Unconfirmed Minutes - Audit & Risk Committee 12 March 2021	3
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7.5 Councillor Gift Policy

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**Banyule
Audit & Risk
Committee**

**UNCONFIRMED
Minutes**

12 March 2021

**1 FLINTOFF STREET,
GREENSBOROUGH**

Banyule Audit & Risk Committee Minutes

Present

Committee

Dr Irene Irvine - Chairperson
Prof Stuart Kells – Independent Representative
Mr Gregory Rimmer-Hollyman – Independent Representative
Cr Mark Di Pasquale – Committee Delegate
Cr Peter Castaldo – Committee Delegate (Remote)
Cr Peter Dimarelos - Substitute

Guest Councillors

Mayor, Cr Rick Garotti

Officers

Allison Beckwith – Chief Executive Officer
Geoff Glynn – Director Assets & City Services
Scott Walker - Director City Development
Marc Giglio - Director Corporate Services
Tania O'Reilly – Manager Finance & Procurement
Vivien Ferlaino – Governance Coordinator
Paul Wilson – Audit Support Officer (Minute Taker)

Guest Officers

Melissa Sammut - Risk Management Project Officer
Toni Toaldo – Manager People & Culture

Internal Auditors

Andrew Zavitsanos – Crowe Horwath
Lynda Cooper – Crowe Horwath

External Auditors

Nick Walker – HLB Mann Judd.
Philip Kahn - HLB Mann Judd (Remote)

Apologies

Kath Brackett – Director Community Programs

Opening of Meeting

Meeting opened at 1:37pm

Disclosure of Interests

Nil

Confirmation of Previous Minutes

The Minutes from the Meeting held 11 December 2020 were confirmed.

Banyule Audit & Risk Committee held 11 December 2020.

Moved: Prof Stuart Kells

Seconded: Mr Greg Rimmer-Hollyman

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****Matters for the Committee**

- The Chair informed the committee that the CEO raised a matter that will be subject to a paper at the June meeting.
- The Mayor advised the committee and staff present that any Committee discussions and reports are deemed confidential - discussions should not be had outside of the meetings.
- The Committee raised some points about the impacts on Council services – seeking whether Council foresees any adverse impacts with Councils financial position or financial risks, risks to services and support to the community by ensuring essential services are operating as close to normal as possible.
- The Director Corporate Services informed the Committee that the December financial report showed that Council’s financial sustainability is still sound and strong. Council was set to have \$10.5m economic support package which has not been completely taken up by businesses.
- Throughout COVID Council have been able to follow its COVID 5-point plan guidelines and maintain the majority of our service provision and deliver our capital works program.
- The Committee asked Council to elaborate how Council have addressed any workplace risks.
- The Director Corporate Services informed the Committee that Council has continued to follow state government directions regarding the COVID safe workplans with regards to the workplace. With the return-to-work plan, Council has is aiming for a 50% return of staff to return by the end of March with a COVID safe plan of social distancing, cleaning kits and hygiene stations.
- The Committee asked, as further assurance, are Council benchmarking their return-to-work procedures with other Councils and have they received some sort of government guidance that they are doing things right?
- The CEO stated that discussions have been held with other Council CEOs with some of Councils implementing a higher return to work as they still do not have the resources set up to continue to work from home and others do not have the physical space to return more staff to the office.
- Work-safe carried out an inspection which checked if Council are meeting its requirements for a safe return to work, Council ticked all the boxes being informed by Work-Safe that Council have the correct procedures and set up for a safe return.
- The Chairperson stated that management should be congratulated, on both the financial and human aspect throughout COVID.

General Comments

The Committee made comments on the following reports that are for listed for noting:

- The Committee wanted to congratulate Council on the amount of work that has been done on the Local Government Act implementation progress report (Item 1.12).
- The Committee suggested that as the Protected Data Report (Item 1.10) is very similar to the federal protected security policy framework. It was suggested that the frame work be benchmarked against the federal framework it would be good to look at this to get some ideas.
- The committee made note of Status Report (Item 1.16) and encouraged management to monitor timeframes as a number have been rescheduled.
- The Committee requested Item 1.11 to be added to reports for discussion.
- The Committee requested Items 1.5 and 1.6 to be deferred to incorporate Committee feedback and for further consideration.

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****Reports****1. COMMITTEE REPORTS FOR DISCUSSION****1.1 HLB MANN JUDD - DRAFT AUDIT STRATEGY MEMORANDUM FOR THE FINANCIAL YEAR ENDING 30 JUNE 2021****SUMMARY**

1. The Banyule City Council Audit Strategy sets out the Victorian Auditor-General's Office (VAGO) approach to the audit of the Financial Report and Performance Statement of Banyule City Council for the year ending 30 June 2021.
2. The audit engagement includes the external audit of the financial report, performance statement and a performance audit.
3. The engagement will be conducted by VAGO's audit service provider HLB Mann Judd for the year ending 30 June 2021.

COMMENTARY

VAGO's audit service provider HLB Mann Judd provided an overview of the report advising that although COVID 19 pandemic continues to be a consideration with significant risks, this year (2021) is a relief compared to the 2020 year. We now look at 2020 as a re-evaluation year.

- In terms of auditing standards, the committee were advised that there will be focus on documentation and accounting estimates.
- The Committee asked the Manager of Finance if there is anything in the report that makes Council concerned. The Manager of Finance advised that there are no concerns for Council in the report.

Resolution

That the Committee:

1. Receive and discuss the Draft Audit Strategy for 2020/21
2. That the Draft Audit Strategy be finalised subject to feedback from the Audit & Risk Committee and the Victorian Auditor General's Office.

Moved: Cr Mark Di Pasquale
Seconded: Cr Peter Castaldo

CARRIED

Nick Walker and Phillip Kan from HLB Mann Judd left the meeting at 2.04pm

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.2 CROWE HORWATH - INTERNAL AUDIT - THIRD PARTY MANAGEMENT
NOVEMBER 2020****EXECUTIVE SUMMARY**

1. In accordance with council's annual internal audit plan, an internal audit has been carried out of the management of information provided to third-party suppliers that deliver services on behalf of council.
2. The term third-party typically refers to out-sourced operations, labour and data processing. Associated risks with third-party suppliers apply to every contractual relationship.
3. The focus was to review the adequacy of the internal control environment in the management of council information by third-party suppliers to assess whether the procedures and practices are operating satisfactorily.

COMMENTARY

- Council's Internal Auditor from Crowe spoke about the report and the recommendations around governance and providing assurance of third-party suppliers. In terms of management comments, Crowe are comfortable with the actions and the timelines for implementation provided.
- The committee highlighted the two High Risk ratings in particular the area of access through third parties. The committee sought assurance that Council has good controls in place and removes any access through third party entities where possible.
- The Director of Corporate Services informed the Committee that Council has good systems in place for when Information Technology (IT) contractors access Council's systems and this needs to extend across for all contracts.
- The Committee asked if these were flagged in the operational risk register and did the risk team pick this up prior to this audit?
- The Director of Corporate Services said this has been recognised by risk team and that unauthorised access is one of the proposed risks in the Enterprise Risk Register.
- The committee advised some concern that Banyule have had another 2 high risks so soon after another 2 high risks late last year after such a long period of none. Council may need to review the controls for the operational risks.

Resolution

That the Committee:

1. Receive the report and recommendations on the Management of Third Parties
2. Note that the current controls in place over the management of information provided to third-party suppliers need strengthening
3. Note managements agreement to accept an implement all recommendations
4. Note the recommendations will be added to the Status Report as a mechanism to report back to the Committee all actions undertaken.

Moved: Cr Mark Di Pasquale

Seconded: Cr Peter Castaldo

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.3 CROWE HORWATH - STRATEGIC INTERNAL AUDIT PLAN - OCTOBER 2020 TO JUNE 2021****SUMMARY**

1. In October 2020, Crowe met with the Executive Leadership team to identify priorities for the internal audit program.
2. During the meeting held on 11 December 2020, the Audit & Risk Committee was asked to review the Strategic Internal Audit Plan 2020 – 2023 and provide feedback.
3. The Committee recommendation was for a revised Strategic Internal Audit Plan which included both a Project Management and Grants Management review, as well as adding a column that identifies strategic risks be submitted to the next meeting on 12 March 2021.
4. In January 2021 Internal Audit further met with the Director Corporate Services, Audit Support Officer, an Independent Member of the Audit & Risk Committee (ARC) and the Risk team to align the internal audit program with Council's risk profile.
5. At the time of preparing the Strategic Internal Audit Plan (SIAP), management were still in the process of revising the risk profile.

COMMENTARY

- The Internal Auditors outlined the report and added that following the meeting between the internal auditors, council and the committee it was decided that the four audit projects listed were to commence for the period January – June 2021. All of these four were originally listed on the SIAP presented to the December meeting. The Committee asked the Internal Auditors if they are in a position to continue assurance post June.
- The Committee asked if a gap analysis is undertaken.
- The Internal Auditor advised the Assurance Mapping exercise which measures this was undertaken in December, there was an issue as it did not align with the risk rating changes made. The additional strategic risk register framework has altered the SIAP.
- The Internal Auditor stated that Crowe can put up a draft plan to the June meeting of what the next 3 years looks like and is comfortable that they can use the parent (enterprise) risks as these most likely will not change moving forward. The Committee stated that the 3-year plans are outdated with the introduction of COVID, and a 12-month plan should be presented each year.
- The Internal Auditor responded that they did not believe the internal audit plan will change and advised they are comfortable to bring a 12-month plan back to the Committee in June.

Prof Stuart Kells left the meeting at 2.29pm

Resolution

That the Audit & Risk Committee:

1. Receive the revised Strategic Internal Audit Plan October 2020 – June 2021.
2. Receive a 12-month plan at the June meeting using the strategic risks and ratings as presented at the previous meeting in December.

Moved: Dr Irene Irvine

Seconded: Mr Greg Rimmer-Hollyman

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.4 CROWE HORWATH - DRAFT MAP - STATUTORY BUILDING - APRIL 2021****EXECUTIVE SUMMARY**

1. A Memorandum of Audit Planning (MAP) has been drafted for the planned Internal audit on Statutory Building.
2. The Victoria's building legislation system sets out the legal framework for the regulation of construction of buildings, building standards and maintenance of specific building safety features, in Victoria. The Municipal Building Surveyor has a role to ensure compliance.
3. In accordance with the Strategic Internal Audit Plan, Internal Audit is to review the adequacy of the various processes that have been put in place to manage compliance.
4. The committee is requested to review the objectives of the Statutory Building Internal Audit and provide feedback back to the Internal Auditors on the scope of this audit.

Commentary

- Internal Audit informed the Committee that this report is a means to check controls and compliance that Council has in place.
- The Committee advised they were happy with this and asked if Council are happy with the scope of this report.
- The Director of City Development replied that Council also agrees with the Committee that the scope is what Council requires to ensure the correct measures are in place.

Resolution

That the Committee:

- 1) Review the objectives of the Statutory Building Internal Audit
- 2) Provide feedback on the scope of this audit.

Moved: Cr Mark Di Pasquale

Seconded: Dr Irene Irvine

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.5 PROPOSED STRATEGIC RISK REGISTER AND FRAMEWORK****EXECUTIVE SUMMARY**

1. Historically at Council (and indeed across the sector), Strategic Risks have been managed as high-level operational risks which are escalated to and deescalated from the risk register as senior management focus increases and wanes.
2. This report proposes that Strategic risks are managed as those risks external to Council that, if they were to eventuate, may require a change in strategic direction. Essentially, these risks are the "Threats" identified in Council's SWOT analysis.
3. This report and the proposed framework provided in **Appendix 1** outlines the key outputs and benefits of managing Strategic risks in this manner. In summary:
 - Strategic Risks relate to those risks that are broadly out of Council's control but that, should they materialise, would result in a change to Council's current strategy (i.e. Federal/State Government imposed changes).
 - Strategic Risks are managed separately to Enterprise Risks and are considered at the appropriate level of Council (that is, by those who can influence the decisions in relation to Council's strategic direction).
 - Strategic Risks are considered on a separate likelihood and impact matrix which facilitates effective discussion and decision making in preparation for potential events.
 - Over a 12-month period, each Strategic Risk is party to a deep dive review by the Audit and Risk Committee and Council.
4. The proposed Strategic Risks are outlined in section 2 of this report. The proposed Strategic Risk Framework by which is it proposed that Council should measure its strategic risks is provided in **Appendix 1**.
5. It should be noted that this report does not propose an amendment to Council's existing Risk Management Framework, the Strategic Risk Framework provided in **Appendix 1** is put forward to the Committee as an addition to Council's constantly evolving, and continuously improving, risk infrastructure.

Resolution

That the item be deferred incorporating Committee feedback and for further consideration.

Moved: Cr Stuart Kells
Seconded: Cr Irene Irvine

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.6 ENTERPRISE RISK REPORT****EXECUTIVE SUMMARY**

1. Following the adoption of Council's new Risk Management Framework in September 2020, the risk team, with the support of the business and an external risk consultant, have undertaken a full review of Council's historic approach to the management of operational risk.
2. The findings of this review (as detailed in section 1 ("Background") of this report) highlighted that Council's current approach to Operational Risk has been siloed and ineffective in giving a true holistic overview of Council's risk exposure.
3. This report outlines for the Audit and Risk Committee ("**Committee**") Council's Enterprise Risks as determined in consultation with the SMT, EMT and Assurance Committee.
4. This approach sees a slight deviation from Council's Risk Management Framework in that the "operational risks" referred to in the Framework are now Council's "parent" Enterprise Risks and the "SURAs" are now referred to as "child" Enterprise Risks.
5. By taking this approach, the Committee can consider in detail Council's current risk exposure based on the effectiveness of our control environment. This will assist the Committee in determining Council's internal audit and assurance program with a view to gaining assurance that our risks are managed.
6. The Committee are invited to consider Council's Enterprise Risk Register (**Appendix 1**), including its Parent and Child risks, noting in particular:
 - a. The current ratings of each parent and child risk, (observing that likelihood is yet to be determined - all currently "Possible – TBC");
 - b. The roadmap for the Assurance Committee to determine the Criticality and Effectiveness of our control environment (provided in **Appendix 2**).

Resolution

That the item be deferred incorporating Committee feedback and for further consideration.

Moved: Cr Stuart Kells

Seconded: Cr Irene Irvine

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.7 SAFETY METRICS****EXECUTIVE SUMMARY**

1. Safety Framework has been development, and a Draft format was presented to EMT in February for feedback.
2. A significant positive downward trend has occurred over the last three months for incident reports occurring outside of required timeframes down from 42% to 10%.
3. There has been a consistent number of new claims lodged each month and as a result there are now currently twenty-six open claims. Of the twenty-six, nine employees remain unfit for duty, nine employees are at work on modified duties/hours and eight employees are in the monitoring phase of a full return to pre-injury duties.
4. Emergency Management training throughout the Council is up from 65% at last report to 72% compliance. This is still not at an acceptable level and is being followed up with the relevant Managers.
5. The revamped Safety and Wellbeing Committee structure has commenced with the first round of meetings occurring at the Organisational and Directorate level.
6. To improve the awareness of mental health and wellbeing, four sessions on "Mental Health for People Leaders" have been run with over 80 people leaders attending.

Commentary

- The Committee requested more information to be included in future reports such as trend analysis, areas affected and the type of incident/s by referring to the incidents that were listed in the report.
- Further information is requested on the severity of each incident The report also needs the previous months statistics.

Resolution

That the Committee:

1. Note the report including the proactive initiatives introduced across the organisation in relation to the Safety and Wellbeing Culture and the focus on Mental Health.
2. Further refinements to the report be reported at the next meeting in June.

Moved: Dr Irene Irvine

Seconded: Mr Greg Rimmer-Hollyman

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.8 COUNCILLOR EXPENSE REPORTING****EXECUTIVE SUMMARY**

1. A Council must adopt and maintain an expenses policy in relation to the reimbursement of out-of-pocket expenses for Councillors and members of delegated committees.
2. A Council must reimburse a Councillor or a member of a delegated committee for out-of-pocket expenses which the Council is satisfied—
 - (a) are bona fide expenses; and
 - (b) have been reasonably incurred in the performance of the role of Councillor or member of a delegated committee; and
 - (c) are reasonably necessary for the Councillor or member of a delegated committee to perform that role.
3. The Council expenses policy was adopted by Council on the 17 August 2020.
4. The *Local Government Act 2020* (Act), section 40(2) requires a Council provide details of all reimbursements to the Audit and Risk Committee.
5. This is the first Councillor Expense Report to the Audit & Risk Committee.
6. The Local Government Inspectorate (LGI) undertook a review of Councillor support and reviewed allowances, Councillor support and Councillor expenses in 2020, a self-assessment report is included in this Agenda.
7. One of the recommendations included that in addition to reimbursements, all Councillor expenses be reported to the Audit & Risk Committee. The report presents all expenses including reimbursements.
8. Councillor expenses, including reimbursements, are reported in Council's Annual Report.
9. The cost of Councillor representation per Councillor is reported to the State Government annually. These details form part of the Local Government reporting framework. Details can be found on <https://knowyourcouncil.vic.gov.au/>
10. As part of its commitment to transparency, details of expenses and reimbursements will be made available on Council's website. The first report will be published by the end of March 2021.
11. The Councillors expenses summary is attached to this report. There is no sector guidance material on the level of reporting to the Audit and Risk Committee. The Committee is requested to provide advice on the level of reporting it seeks.

Commentary

- The Governance Co-ordinator outlined:
 - that this was the first report to the committee as required by the Local Government Act 2020
 - that Compared to many other Council's, the expenses are low, in particular the Information technology & mobile telephone costs.
 - The first year after an election will see increased costs of new equipment and uniforms
- The committee questioned the cost of Councillor representation per Councillor which is reported to the State Government annually. The Committee was advised that this reporting is set by the state government and differs from the Councillor expenses reported to the Audit & Risk Committee. The cost of Councillor representation per Councillor includes councillors allowances, Chief Executive Officer (CEO) employment

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021**

matters including recruitment, councillor expenses, meals received. The costs for the last financial year as material difference included the recruitment of the CEO and News from our Neighbourhood additional costs.

Resolution

That the Committee:

1. Note the councillor expenses and reimbursements report for the period 9 November 2020 to 28 Feb 2021.
2. Is comfortable with the level of reporting provided in this report and no further details are required.

Moved: Dr Irene Irvine

Seconded: Mr Greg Rimmer-Hollyman

CARRIED

1.9 COUNCILLOR EXPENSES AND ALLOWANCES, EQUITABLE TREATMENT AND ENHANCED INTEGRITY - LOCAL GOVERNMENT INSPECTORATE - SELF ASSESSMENT**EXECUTIVE SUMMARY**

1. The Local Government Inspectorate (LGI) undertook a sector-wide audit of Councillor support, allowances, and expense reimbursements.
2. The audit was to ascertain whether:
 - documented policies and procedures are being followed in practice;
 - significant deviation from policy and practice exists;
 - practices meet public expectations; and
 - any significant risks exist.
3. Council completed a survey to the LGI as part of the process. All Mayors and Councillors were sent a survey seeking their opinions on matters of councillor allowances, resources and facilities, and expense reimbursement
4. The audit found the following issues amongst Council processes and expense Policy:
 - deviations from policy in practice, such as claims being submitted outside stipulated periods, and incorrect claims forms being used.
 - some risks such as a CEO's corporate credit card being used for councillor expenses, and claiming expenses by way of petty cash were also identified
 - inconsistencies in private vehicle use claims rates
 - councillors not familiar with the reimbursement process
 - variation in council reporting and what is included in the annual report and councils' websites
 - oversight of expenses, including checks on legitimacy and sign-off on claims, is also varied and is a potential financial or integrity risk.
5. A Banyule self-assessment against the observations, recommendations and better practice has been undertaken. There are only a few matters that need to be addressed to meet the recommendations in the LGI report.
6. The Council Expense Policy was adopted by Council on 17 August 2020. The *Local Government Act 2020* which came into operation early 2020 required all Councils to adopt a new policy with any new requirements incorporated from the new Act.

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021**

7. The new policy also incorporates recommendations from the VAGO Fraud & Corruption Review 2019.
8. The Committee is requested to provide any comments and advice.

Commentary

- The Governance Coordinator provided an overview of the report and advised many good practice recommendations were made when Council adopted the Policy in August 2020 in line with the new requirements of the Local Government Act 2020 and based on the VAGO 2019 Fraud & Corruption review recommendations for councillors expenses.
- Council will review and look at implementing any other good practices mentioned in the Local Government Inspectorate review in particular the recommendations for monetary caps for each Councillor in each expense category.
- The committee were requested to provide feedback on whether there was a need to implement odometer readings given the low risk and low travel claims by Councillors. The travel claims are very specific and generally occur from the Councillors place of residence or place of work to the Council meeting/briefing or event. The Policy requires Councillors to take the shortest route and officers check diary entries and undertake a google maps search.
- The Committee advised that given the low risk and that Banyule is not a large council area and controls were in place the need for odometer readings would not be necessary as a further control.

Resolution

That the Committee:

1. Note the areas requiring further work to meet better practice.
2. Is comfortable with the four areas identified in the self-assessment and the suggested further work that will be undertaken.
3. Agrees that Councillors do not need to provide odometer readings, or vehicle log books with each claim.
4. Is comfortable with the risk ratings and the comments provided.
5. Note that the recommendations from the Committee will be presented to Councillors via a Councillor briefing paper and a revised Council Expense Policy will be submitted to a Council Meeting to make any required changes.

Moved: Dr Irene Irvine

Seconded: Mr Greg Rimmer-Hollyman

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.11 FOLLOW UP ACTIONS - ARISING FROM THE 11 DECEMBER 2020 AUDIT & RISK COMMITTEE MEETING.****EXECUTIVE SUMMARY**

1. The Audit & Risk Committee was held Friday 11 December 2020.
2. This report provides a summary of actions arising from that meeting.
3. The report provides a mechanism to ensure the actions are addressed.
4. Recommendations are made to the Audit & Risk Committee to note the updates and resolve to accept reports arising from the follow up actions requested at the meeting on 11 December 2020.

Commentary

- The committee questioned if an OHS check is required to be carried out on a person's home prior to sending someone around as it is a high-risk area. Are assessments being done? Do we have enough risk management checks in place before we send people over?
- The committee wants to be assured that there is a very rigorous process in place that when Council staff attend a person's that they are safe.
- The Committee requested the Director of Community Programs add this information into their presentation at the next meeting.

Resolution

That the Audit & Risk Committee note the updates and resolve to accept reports arising from the follow up actions requested at the meeting on 11 December 2020.

Moved: Dr Irene Irvine

Seconded: Mr Greg Rimmer-Hollyman

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021**

The following reports were for noting and resolved in block

1.10 PROTECTED DATA SECURITY REVIEW**EXECUTIVE SUMMARY**

1. The *Privacy and Data Protection Act 2014 (Vic)* (PDP Act) requires Local Government agencies that perform the functions of a public entity for Crown Land Reserves to comply with the Victorian Protective Data Security Framework (VPDSF) and accompanying Victorian Protective Data Security Standards (VPDSS).
2. A Protective Data Security Plan (PDSP) must be developed and submitted to the Office of the Information Commissioner (OVIC) bi-annually outlining how the Agency plan to improve systems and practices where personal information is held to comply with the VPDSF and the VPDSS.
3. Officers undertook consultation with all areas to develop the Information Asset Register (IAR) and identify risks in the way information containing personal details is managed.
4. Votar Partners Pty Ltd were engaged to undertake a maturity assessment against the VPDSS which included the delivery of a Maturity Assessment Report and recommendations and the preparation of Council's PDSP.
5. Council has implemented 49% of the recommended security controls in the VPDSS. Most of the compliance gaps and lower maturity levels are in the security governance, information security and ICT security domains.
6. A *Security Risk Profile Assessment* was conducted to identify risks in the management of information. Information risks will be captured in Council's corporate risk register and reviewed regularly.
7. 15 recommendations have been identified to improve data security and increase compliance with the VPDSS that are to be implemented by August 2022.

Resolution

That the Committee:

1. Endorse the Maturity Assessment Report conduct on relation to the *Privacy and Data Protection Act 2014 (Vic)*
2. Acknowledge the information risks identified in the review
3. Note that Council has implemented 49% of the recommended security controls
4. Support the program of works identified to uplift Council's data security compliance.

Moved: Mr Greg Rimmer-Hollyman

Seconded: Dr Irene Irvine

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.12 LOCAL GOVERNMENT ACT 2020 - IMPLEMENTATION - PROGRESS REPORT
EXECUTIVE SUMMARY**

1. The fourth quarterly report is provided on the Implementation of the *Local Government Act 2020*.
2. The *Local Government Act 2020* came into operation on 25 March 2020.
3. The new Act has a number of requirements which will be implemented over four stages. Each stage is being proclaimed at different times:
 - STAGE 1 – 6 April 2020
 - STAGE 2 – 1 May 2020
 - STAGE 3 – 24 Oct 2020
 - STAGE 4 – 1 July 2021
4. Stage 3 of the new Act relates mainly to Councillors, and the new Council post the General Election; the following is required:
 - Mandatory training for Candidates (completed)
 - Mandatory training for Councillors (one module to be completed 29 March 2020)
 - Councillor Code of Conduct (completed)
 - Councillor Gifts Policy (due April)
 - Community Engagement Policy (completed)
5. Stage 4 includes development of significant strategic documents including the development of a 10-year Community Vision, Council Plan and Long Term Financial Plan. The Act requires deliberative engagement on the development of these three documents.

Resolution

That the Committee note Council's progress on implementation of the *Local Government Act 2020* and that all requirements to date have been met within the due timeframe.

Moved: Mr Greg Rimmer-Hollyman
Seconded: Dr Irene Irvine

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.13 AUDIT & RISK COMMITTEE - ANNUAL WORK PLAN - MARCH 2021****EXECUTIVE SUMMARY**

1. An Annual Work Plan is developed that sets out the work program for the year, it outlines the audits, work and review of items including timing and frequency of reporting to the Committee.
2. At Banyule the Annual Work Plan is grouped in the following sections:
 - Annual Financial Statements
 - Budget
 - Data Analytics
 - Financials
 - Governance
 - IBAC
 - Internal Audit
 - Risk Management
 - VAGO
 - Other
3. The *Local Government Act 2020* requires all Victorian Councils to adopt an Annual work program. The plan is mapped against the Functions and Responsibilities of the Audit and Risk Committee Charter approved by Council on 17 August 2020.
4. The Annual work plan for the month of March 2021 is presented (attached).

Resolution

That the Audit & Risk Committee note:

1. The attached Annual Work Plan.
2. The update to the annual Self-Assessment which will now be conducted following the June meeting of each year.

Moved: Mr Greg Rimmer-Hollyman

Seconded: Dr Irene Irvine

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.14 BUSINESS CONTINUITY PLAN UPDATE****EXECUTIVE SUMMARY**

1. The current Council Business Continuity Plan (BCP) and the four-directorate based subplans are functional, fit for purpose and were refreshed in late 2019.
2. Lessons learnt during the response to the pandemic have been considered and additional information added to the BCP, with the Councils critical business functions documented.
3. As part of the continuous improvement process within Council, the BCP is being redeveloped to modernise and stream line the approach and to rely less on key staff members knowledge.
4. An external consultant has been engaged to work on the redevelopment, with workshops held late 2020 with each directorate to refresh the Business Impact Analysis. Finalised BCP will be completed by April 2021.

Resolution

That the Committee note that the current Business Continuity Plans are working however a continuous improvement process is in place to modernise and streamline the process.

Moved: Mr Greg Rimmer-Hollyman

Seconded: Dr Irene Irvine

CARRIED

1.15 CROWE HORWATH - SUMMARY OF PROGRESS TO MARCH 2021**EXECUTIVE SUMMARY**

1. This report provides the Banyule City Council's Audit and Risk Committee (ARC) with the status of internal audit activity as at 01 March 2021.
2. The following internal audit reports are tabled at this meeting:
 - Management of Information provided to Third Parties
 - Updated SIAP October 2020 to June 2021
 - MAP Statutory Building internal audit
3. The following internal audit activities were also conducted during this period:
 - Commencement of Project Management - Ivanhoe Library & Cultural Hub
 - Commencement of (Outgoing) Grants Management & SLA's
 - Commencement of Cyber Security - Essential 8
 - Planning for Statutory Building Internal Audit

Resolution

That the Committee note and receive the Internal Audit Progress Report.

Moved: Mr Greg Rimmer-Hollyman

Seconded: Dr Irene Irvine

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.16 STATUS REPORT - INTERNAL AUDIT AND SELF-ASSESSMENT
RECOMMENDATIONS MARCH 2021****EXECUTIVE SUMMARY**

1. The Report provides the status and summary of outstanding issues arising from the following reviews which have been reported to the Audit & Risk Committee:
 - 2017 - 2020 Internal Audit Recommendations
 - 2020 - 2022 Internal Audit Recommendations
 - IBAC Self Assessments
 - VAGO Self Assessments
2. The Report lists the management actions that are currently in progress, outstanding and completed from each review and provides a control mechanism to ensure that issues raised are addressed.

Resolution

That the Audit & Risk Committee:

1. Note the following completed actions:

Project Management	Internal Audit
Statutory Planning	Internal Audit
Local Laws	Internal Audit
Management of Conflict of Interest	Internal Audit
Corruption Risks with Local Government Procurement	IBAC Self-Assessments
Fraud & Corruption Review	VAGO Self-Assessments
Security of Local Government Buildings	VAGO Self-Assessments
Asset Management Accountability Framework	VAGO Self-Assessments
Development Contributions Plan	VAGO Self-Assessments

2. Note the following updates for:

Local Laws	Internal Audit
Integrity Frameworks Review	IBAC Self-Assessments
Corruption Risks with Local Government Procurement	IBAC Self-Assessments
Fraud & Corruption Review	VAGO Self-Assessments
Security of Local Government Buildings	VAGO Self-Assessments
Development Contributions Plan	VAGO Self-Assessments

Moved: Mr Greg Rimmer-Hollyman

Seconded: Dr Irene Irvine

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.17 INTEGRITY AGENCY REPORTS - SELF-ASSESSMENTS STATUS REPORT AS AT 12 MARCH 2021****EXECUTIVE SUMMARY**

1. Integrity Agencies such as the Victorian Auditor General's Office (VAGO) and Independent Broad-Based Anti-Corruption Commission (IBAC), Local Government Inspectorate (LGI) and Victorian Ombudsman (VO) issue reports on Local Government and those relevant to the sector.
2. These reports include reviews of Councils' Integrity Frameworks, Fraud & Corruption Frameworks, Procurement Practices and Governance etc.
3. Self- Assessments are undertaken by council against the recommendations of these reports and presented to the Audit & Risk Committee (ARC).
4. The Report provides the Audit & Risk Committee with a list these reports, that Banyule has identified, as opportunities to improve systems and controls relevant to council operations.
5. The Self-Assessment Report on Councillor expenses and allowances: equitable treatment and enhanced integrity is presented in this agenda for 12 March 2021 Committee meeting.
6. The Self-assessment on Council Libraries was undertaken by Yarra Plenty Regional Libraries across three Councils (Whittlesea, Nillumbik and Banyule) and reported back to its Committee.
7. The status report as at 12 March 2021 is listed and provides an update of all self-assessments undertaken to date.

Resolution

That the Committee notes the:

- 1) The status of the self-Assessments and progress to date.
- 2) The Self-Assessment Report on Councillor expenses and allowances: equitable treatment and enhanced integrity is presented during the 12 March 2021 Committee meeting.
- 3) The VAGO Self-Assessment Report on Sexual Harassment in Local Government will be presented at the 18 June 2021 Audit & Risk Committee meeting.
- 4) The Self-Assessment on Council Libraries was completed by Yarra Plenty Regional Libraries.

Moved: Mr Greg Rimmer-Hollyman

Seconded: Dr Irene Irvine

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.18 QUARTERLY FINANCIAL MANAGEMENT REPORT - DECEMBER 2020****EXECUTIVE SUMMARY****SUMMARY**

1. This Quarterly Financial Management Report is for the period ended 31 December 2020 and provides assessment of the following:
 - key income and expenditure actual operating results against budget
 - capital Works financial performance
 - COVID-19 financial impact
 - other key financial indicators
2. The economic uncertainty being caused by COVID-19 is anticipated to have had an additional \$0.901m net financial cost impact on Council's businesses than reported in the adopted budget. With recent closures in Victoria the financial impact will continue to be assessed, monitored and forecast against the most recent information available.
3. The Chief Executive Officer, as required by Section 97(3) of the *Local Government Act 2020* is of the opinion a revised budget is not required.

Operating Performance:

4. The December forecast is projected to be a \$3.837m surplus, a \$5.188m favourable movement to the adopted budget deficit of \$1.351m. The 2020/21 underlying operating deficit is forecast to be \$8.236m compared to a budgeted underlying deficit result of \$8.444m.
5. The forecast variance to budget is primarily related to higher Public Open Space contributions, additional Government Grants, lower than anticipated rate waiver applications, and unbudgeted insurance reimbursements. The variance is partially offset by exceeding the budgeted COVID-19 anticipated business impact (mainly as a result of extended restrictions), carried forward expenditure and reduced interest income.
6. The current spend on the budgeted Economic Support Package is \$1.916m. The \$10.5m package has been forecasted down to \$7.61m in this report to reflect the lower take up of rates waiver applications to date.

Capital Works Performance:

7. As of 31 December 2020, a total of \$26.297m has been spent on capital works. The capital works expenditure is forecast to be \$75.337m (the adopted capital budget is \$63.550m). The forecast includes capital works projects (\$9.352m) that were budgeted in 2019/20 and are now expected to be completed in 2020/21 (carried over projects).

Resolution

That the Committee note:

- 1) The Quarterly Financial Management Report for December 2020;
- 2) Council remains financially sustainable despite the financial impact from COVID-19 restrictions;

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021**

- 3) Officers have complied with the *Local Government Act 2020* to provide a quarterly budget report to Council as soon as practical after the end of the quarter; and
- 4) The Chief Executive Officer, as required by Section 97(3) of the *Local Government Act 2020* is of the opinion a revised budget is not required;
- 5) This report is an extract from the Ordinary meeting of Council Meeting held on Monday 1 March 2021.

Moved: Mr Greg Rimmer-Hollyman
Seconded: Dr Irene Irvine

CARRIED

**1.19 COMPUTER ASSISTED AUDIT TECHNIQUES (CAAT'S) - QUARTERLY REPORT
EXECUTIVE SUMMARY**

1. In line with the Computer Assisted Audit Techniques (CAATs) works program for 2020/21, planned quarterly tests were undertaken internally by Banyule City Council officers and the results reported to Audit and Risk Committee.
2. The primary objective of the tests is to ensure that the relevant controls, processes, and practices are adequate, accurate, and complete.
3. Overall the relevant controls, processes, and practices are operating effectively.
4. Detailed findings and actions are provided in the report.

Resolution

That the Committee:

1. Note the CAAT's Quarterly Report is Accounts Payable and Procurement controls, processes, and practices.
2. Note that there were no anomalies from this CAAT review.
3. Note that the Accounts Payable and Procurement controls, processes, and practices are operating effectively.

Moved: Mr Greg Rimmer-Hollyman
Seconded: Dr Irene Irvine

CARRIED

MINUTES BANYULE AUDIT & RISK COMMITTEE**12 MARCH 2021****1.20 COMPUTER ASSISTED AUDIT TECHNIQUES (CAATS) - PROCUREMENT -
PURCHASE ORDERS AFTER INVOICE****EXECUTIVE SUMMARY**

1. In line with the Computer Assisted Audit Techniques (CAATs) works program for the year ended 2020/21, 'CAAT's Procurement – Purchase orders after invoice' test was undertaken internally by Banyule City Council officers and the results reported to Audit & Risk Committee.
2. The primary objective of the 'CAATs Procurement – Purchase orders after invoice' test is to ensure that the relevant controls, processes, and practices are adequate, accurate, and complete.
3. Overall, procurement controls, processes, and practices are sound. There will continue to be regular management reporting to maintain the improved compliance by staff.

Resolution

That the Committee:

1. Note the report and the actions to be undertaken by Council officers to manage the operational risks when staff are committing spend on behalf of Banyule.
2. Note the sustained improvement in Purchase Order process compliance from previous year.
3. Note the Senior Management Team's continued monitoring of staff PO non-compliance activities directly within their teams.

Moved: Mr Greg Rimmer-Hollyman

Seconded: Dr Irene Irvine

CARRIED

2. Verbal Updates

Nil

3. Other Business

Nil

Next Meeting

Closure of Meeting 3.13pm



Councillor Gift Policy

Policy Details

Procedure Title	Councillor Gift Policy
Date of Adoption	Date approved by Council on (date to be inserted)
Responsible Department	Governance Unit
Purpose	<p>Banyule City Council is committed to ensuring that Councillors, Council staff and contractors act with integrity and honesty when performing their duties or while attending functions as Council representatives.</p> <p>The acceptance of gifts, benefits and hospitality can create perceptions that a Councillor, staff member or contractor's integrity has been compromised.</p> <p>This policy states Banyule's position on:</p> <ul style="list-style-type: none"> • responding to offers of gifts, benefits and hospitality; • and providing gifts, benefits and hospitality. <p>This policy is intended to support Councillors to avoid conflicts of interest and maintain high levels of integrity and public trust.</p>
Legislative Context	<p>Banyule City Council is a public body subject to the Local Government Act 2020 (LGA). The objective of the Act is to establish a legislative framework that provides for Councils to be accountable to their local communities in the performance of functions and exercise of power and use of resources.</p> <p>Section 138 requires Council to adopt a Councillor Gift Policy within the period of 6 months after this section comes into operation.</p>
Victorian Charter of Human Rights and Responsibilities Act	<p>In developing this policy, the subject matter has been considered to determine if it raises any human rights issues. In particular, whether the scope of any human right established under the Victorian Charter of Human Rights and Responsibilities Act 2006 is in any way limited, restricted or interfered with by the contents of this policy.</p> <p>It is considered that the Councillor Gifts Policy is consistent with the rights outlined in the Charter. The human rights most relevant to this policy are the rights to:</p> <ul style="list-style-type: none"> • protection of privacy and reputation (section 13)
References	<ul style="list-style-type: none"> • Local Government Victoria – Conflict of Interest Guides • IBAC Local Government Integrity Frameworks review (2019) • Victorian Ombudsman Conflicts of Interest in Local Government report (2008)
Related Policies	<ul style="list-style-type: none"> • Councillor Code of Conduct • Fraud & Corruption Control Plan
Forms	Councillors Gift Declaration Form

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Definitions and key terms used in this Policy

<p>Gift (s3 LGA)</p>	<p>Means any disposition of property otherwise than by will made by a person to another person without consideration in money or money's worth or with inadequate consideration, including—</p> <p>(a) the provision of a service (other than volunteer labour); and</p> <p>(b) the payment of an amount in respect of a guarantee; and</p> <p>(c) the making of a payment or contribution at a fundraising</p>
<p>Gifts explanation to support definition</p> <p>includes:</p> <ul style="list-style-type: none"> • Items & services • Benefits • hospitality 	<p>A gift is anything of monetary or other value that is offered by an external organisation or individual to a Councillor, Officer or contractor as a result of their role with the agency. It includes free or discounted items or services, benefits or hospitality that exceeds common courtesy. Examples include:</p> <ul style="list-style-type: none"> • A bottle of wine or spirits • Tickets to sporting events • Gift Voucher • Corporate hospitality at a corporate facility • Discounted products for personal use • Use of a holiday home • Free or discounted travel • Free training excursions • Door prize or voucher if an individual has not personally paid to attend.
<p>Gift disclosure threshold</p>	<p>A disclosable gift means any gift valued at or above \$500 or a higher prescribed amount that a relevant person received in the preceding five years if:</p> <ul style="list-style-type: none"> • the relevant person was a councillor, member of council staff or member of a delegated committee at the time the gift was received, or • the gift was an election campaign donation. <p>If multiple gifts are received from a person, they must be treated as a single gift with an aggregate value.</p> <p>A gift includes any good or service (other than volunteer labour) that is provided for free or at an inadequate price. It includes a payment or contribution at a fundraising function.</p> <p>A failure to comply is an offence that can be prosecuted in court. If found guilty a fine of up to 60 penalty units may be imposed, the value of the gift must be paid to the Council and the Councillor may be required to pay the costs of the prosecution.</p>
<p>Items or services</p>	<p>For example:</p> <ul style="list-style-type: none"> • Christmas hamper • Desk calendar • Box of chocolates • Bottle of wine • Commemorative object • Door prize at a function • Tree lopping • House painting

Benefits	<p>For example:</p> <ul style="list-style-type: none"> • Preferential treatment • Privileged access • Access to discount or loyalty programs • Promise of a new job
Hospitality	<p>Hospitality is considered a gift unless the hospitality was reasonable and you were attending the function or event in an official Council capacity.</p> <ul style="list-style-type: none"> • <u>Reasonableness test</u>: the hospitality must be of a standard and type that an independent observer would consider appropriate and not excessive. • <u>Official capacity test</u>: it must clearly be your duty as a Councillor to attend the relevant function or event. <p>Hospitality that <u>exceeds</u> common courtesies includes:</p> <ul style="list-style-type: none"> • A 'fine dining and wines' working lunch at another organisation's premises • An offer to pay for a working lunch at a café • An offer of a free spot on an industry golf day <p>Hospitality that does <u>not</u> exceed common courtesies and is therefore <u>not</u> a gift includes:</p> <ul style="list-style-type: none"> • Sandwiches and pastries over a lunchtime meeting • A cup of coffee at another organisations premises • A cup of coffee at a café (unless there is a conflict of interest)
Ceremonial gifts	<ul style="list-style-type: none"> • Ceremonial gifts are official gifts provided as part of the culture and practices of communities and government, within Australia or internationally. Ceremonial gifts are usually provided when conducting business with official delegates or representatives from another organisation, community. • Ceremonial gifts are the property of Banyule City Council, irrespective of value. The receipt of ceremonial gifts should be recorded on the register but does not need to be published online.
Gestures that are not considered gifts	<ul style="list-style-type: none"> • A souvenir received from a person or company as a result of attending a seminar or conference held, conducted or sponsored by them, for which an appropriate fee was paid to attend. For example ties, pens or mugs. • Small gestures of appreciation from the community or customers such as cut flowers from their garden or homemade baked goods. • Door prizes and raffle prizes at functions or conferences are <u>not</u> considered a gift if the individual has personally paid for their attendance, or where the individual has paid for the raffle ticket.
Internal Gifts	<p>Gifts received by Councillors from Banyule Council are not covered by this policy and do not need to be declared.</p>

	For eg. recognition gifts after the end of the Mayor term or Councillor term
Bribe	A bribe is an offer of money or other inducement made with the intention to corruptly influence a Councillor, officer or contractor in the performance of their duties. Bribery or attempted bribery of a public official is a criminal offence.
Conflict of interest	<p>The Local Government Act 2020 requires Councillors to declare General or Material Conflicts of Interest.</p> <p>A conflict of interest is a conflict between a Councillor's public duty to act in the best interest of the Council and their private interests (financial or non-financial). A conflict exists whether it is:</p> <ul style="list-style-type: none"> • Real – it currently exists • Potential – it may arise, given the circumstances • Perceived – members of the public could reasonably form the view that a conflict exists, or could arise, that may improperly influence the person's performance of their duty to the Council, now or in the future.
Contractor	Person or company supplying goods, services or works to the Council.
Token Gift (\$20 or less)	Token offers are those worth \$20 or less and include gifts, benefits or hospitality that is of inconsequential or trivial value to both the person making the offer and the individual. They include promotional items such as a pen, note pad, or key ring, and modest hospitality that would be considered a basic courtesy, such as light refreshments during a meeting.
Value	Value means the face value or estimated retail value.
Legitimate Business Reason	<p>A legitimate business reason is a business purpose that furthers official business or other legitimate goals of the Council.</p> <p>The following are not legitimate business reasons:</p> <ul style="list-style-type: none"> • 'it would have been impolite to refuse • 'Refusal would offend' (except in compelling circumstances that are in the public interest, for example accepting a gift onstage at an official ceremony) • 'Networking' • 'Maintaining stakeholder relationships'

Policy

1. Scope

This policy sets out the Council's standards and procedures for responding to gift offers. It applies to all Councillors of Banyule City Council.

2. Aim

The aim of this policy is to provide clear guidelines to ensure Councillors are not compromised in the performance of their duties by accepting gifts or benefits which may result in a sense of obligation or could be interpreted as an attempt to influence. This helps to protect and promote public confidence in the integrity of the Council.

3. Key principles and accountabilities

The key principles are:

- **Obligations:** Councillors act in accordance with their respective obligations with good governance.
- **Public interest:** Councillors have a duty to act in the public interest above their private interests when carrying out their official functions, in compliance with this policy.
- **Culture of integrity:** Banyule City Council fosters a culture of integrity with Councillors declare all gifts.
- **Risk-based:** The Council's risk in relation to gift offers are assessed, managed and monitored.
- **Accountability:** The Council's procedures are transparent and accountable. Councillors are accountable for Declaring all gifts, and Declaring declined gifts, or where an exception applies under this policy.

Consistent with the Minimum Accountabilities

The Victorian Public Sector Commission has set binding minimum accountabilities for the appropriate management of gifts, benefit and hospitality. The Council's policy is also consistent with the Department of Environment, Land, Water and Planning (DWELP) model policy on *Gifts, benefits and hospitality – responding to gift offers*, which is published by the DWELP.

This policy also incorporates the recommendations from the IBAC review of Local Government Integrity Frameworks 2019. A self-assessment was undertaken in 2019 and reported to Council's Audit & Risk Committee. This Policy has included all the recommendations for good practice.

Conflicts of Interest in Local Government – Victorian Ombudsman - That councils have clear rules on accepting gifts and hospitality. All gifts and hospitality, however trivial, should be declared.

4. Prohibited gifts

Any Gifts that is inconsistent with **community values and** could bring a Councillor's **integrity**, or that of the Council into disrepute (eg. if accepting a gift could be perceived as an endorsement of a product or service) must be declined. All Councillors must refuse the following gift offers:

4.1 Gift Disclosure threshold

Councillors are prohibited from accepting gifts that equal or exceed the gift disclosure threshold unless they know the name and address of the person making the gift.

4.2 Anonymous Gifts

s137 Local Government Act 2020 - Anonymous gift not to be accepted

1. Subject to subsection (2), a Councillor must not accept, directly or indirectly, a gift for the benefit of the Councillor the amount or value of which is equal to or exceeds the gift disclosure threshold unless—
 - (a) the name and address of the person making the gift are known to the Councillor; or
 - (b) at the time when the gift is made—
 - (i) the Councillor is given the name and address of the person making the gift; and
 - (ii) the Councillor reasonably believes that the name and address so given are the true name and address of the person making the gift.

Penalty: 60 penalty units.

- (2) If the name and address of the person making the gift are not known to the Councillor for whose benefit the gift is intended, the Councillor is not in breach of subsection (1) if the Councillor disposes of the gift to the Council within 30 days of the gift being received.
- (3) In addition to the penalty specified in subsection (1), a Councillor who is found guilty of a breach of that subsection must pay to the Council the amount or value of the gift accepted in contravention of that subsection.

If for any reason a Councillor finds themselves in possession of a gift when they don't know the name and address of the person who gave the gift, the Councillor can give the gift to the Council within 30 days to avoid committing an offence.

4.3 Conflict of Interest

Councillors are prohibited from accepting a gift that creates a conflict of interest (real, potential or perceived).

4.3 Money or equivalent

This includes gif cards (eg. gift vouchers) or those easily converted into money (eg. shares).

4.4 Regulatory processes

Where a Council regulatory process is underway (eg a planning permit application; infringement appeal) a Councillor should not accept any gifts from any individual or group that may be involved with the permit application or regulatory activity.

4.5 Bequests/Wills

Any bequests to Councillors resulting from their position with Council must not be accepted. Arrangements may be made to donate the bequest to a charitable institution in the name of the donor or returned to the immediate family.

4.6 Fly buy/Frequent Flyer

Councillors must not collect rewards for personal use via rewards programs for any Council related transactions (i.e.: fly buys or frequent flyers). This relates to any claims for reimbursement of expenses incurred in accordance with the Council Expense Policy.

4.7 Procurement & Tender Process

Councillors must not accept any gifts, benefits and hospitality from a current or prospective supplier or any offer that is made during a procurement or tender process by a person or organisation involved in the process.

Where gifts are received or there are irregular approaches from suppliers, the Councillors must notify the Mayor and CEO and lodge a gift declaration form, so their refusal/action can be properly recorded.

Councillors must not visit a current supplier's premises without invitation and when not on official business.

4.8 Recording prohibited gift offers

To assist the Council in monitoring the frequency and nature of prohibited gifts, it is essential that all such offers are disclosed. Councillors must lodge a gift declaration form and details will be included in the register.

4.9 Consequence of accepting prohibited gifts

Accepting a prohibited gift may constitute misuse of a Councillor's position, a breach of this policy may result in serious misconduct allegations for Councillors. In addition, if the gift was offered with the expectation of something in return, such as preferential treatment, accepting it may constitute a bribe or other form of corruption and lead to criminal prosecution.

5. Attempts to bribe

A Councillor who receives a gift offer that they believe is an attempted bribe must refuse the offer. They must:

- Immediately notify the CEO and lodge a gift declaration form, so their refusal can be properly recorded,
- Report the matter to the CEO or Public Interest Disclosure Co-ordinator (Manager Governance & Communication) (who should report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission).
- A Councillor who believes another person within the Council may have solicited or been offered a bribe which they have not reported, must notify the CEO or report the matter as a public interest disclosure in accordance with Councils Public Interest Disclosure Procedures.

6. No soliciting of gifts

Councillors must not solicit gifts for themselves or anyone else, in any form. To do so may constitute misuse of their position. It may also constitute corruption and lead to criminal prosecution.

7. Gestures that are not gifts

Individuals may accept gestures without approval or declaring the offer on the Banyule City Council Gift Register.

An example of a gesture is an object with no monetary value such as flowers cut from the person's garden or homemade baked goods.

A gesture may also be a souvenir received from a person or company as a result of attending a seminar or conference held, conducted or sponsored by them, for which an appropriate fee was paid to attend. An example of this is a tie, pen or mug.

Door prizes and raffle prizes at functions or conferences are not considered a gift if the individual has personally paid for their attendance, or where the individual has paid for the raffle ticket.

8. Gift offers

Under \$20	Councillors may generally accept token offers without approval or declaring the offer on Council's register, as long as the offer does not create a conflict of interest or lead to reputational damage e.g. where there have been repeated, regular offers.
Gift offers over \$20	<p>Councillors are to refuse gift offers that:</p> <ul style="list-style-type: none"> • Are likely to influence them, or would be perceived to influence them, in the course of their duties, • Are likely to raise a conflict of interest, whether actual, potential or perceived, • Are made by a person or organisation about which they will likely to make a decision, • Are likely to be a bribe, • Have no legitimate business benefit, • Consist of money, gift vouchers or something easily converted into money, • Could be perceived to be an endorsement of a product or service and will bring the individual or Council into disrepute, • Are made in secret.

9. Declaration of accepted/declined gifts

1. Complete the Gift Declaration form within 7 days of the offer
2. Gifts over \$50 remains the property of the Council until otherwise determined.

Forms

Declarations must be made on Council's declaration form.

10. Hospitality & Conferences

Gift offers of hospitality that exceed common courtesy must be avoided are often inconsistent with community expectations and have a high risk of creating a conflict of interest. Examples of gift offers of hospitality that exceed common courtesies include:

- Attending as a guest in a corporate box at the football or races
- Attending a concert or theatre event
- Attending an industry golf day at a reduced fee
- Being 'shouted' a meal at a restaurant
- Accepting discounted or complimentary tickets for a family member to attend the tennis

Reasonable hospitality does not need to be declared. See the definitions of Hospitality.

Conferences

Gift offers in relation to conferences (sponsored attendance, participation, travel or accommodation) must be declined unless there is:

- Clear justification, such as where the invitation is issued by a government department or the offeror is a peak body, and
- Prior written approval granted by the CEO (Mayor for Councillors, CEO for Mayor) or other responsible person. The signed and dated approval must be attached to the gift offer declaration and noted in the gifts register.

11. The G.I.F.T. Test – Conflict of Interest & reputational risks

Deciding whether to accept an offer, Councillors should first consider if the offer could be perceived as influencing them in performing their duties or lead to reputational damage. The more valuable the offer, the more likely that a conflict of interest or reputational risk exists.

Developed by the Victorian State Services Commission, the GIFT test is a good example of what to think about when deciding whether to accept or decline a gift, benefit or hospitality.

G	Giver	<p>Who is providing the gift, benefit or hospitality and what is their relationship to me?</p> <p>Does my role require me to select contractors, award grants, regulate industries or determine government policies? Could the person or organisation benefit from a decision I make?</p>
I	Influence	<p>Are they seeking to gain an advantage or influence my decisions or actions?</p> <p>Has the gift, benefit or hospitality been offered to me publicly or privately? Is it a courtesy or a token of appreciation or valuable non-token offer? Does its timing coincide with a decision I am about to make?</p>
F	Favour	<p>Are they seeking a favour in return for the gift, benefit or hospitality?</p> <p>Has the gift, benefit or hospitality been offered honestly? Has the person or organisation made several offers over the last 12 months? Would accepting it create an obligation to return a favour?</p>
T	Trust	<p>Would accepting the gift, benefit or hospitality diminish public trust?</p> <p>How would the public view acceptance of this gift, benefit or hospitality? What would my colleagues, family, friends or associates think?</p>

12. Corporate gifts

In certain cases it may be appropriate for example as a thank you to provide corporate gifts to individuals or organisations on behalf of the Council. These should be limited to token gifts. Each case will be dealt with on its individual merits. The practice of giving gifts should not be common or frequent. Approval must be obtained from the CEO.

13. Donations and Bequests of Gifts to Council

Banyule Council may be offered or bequested gifts or donations. Such gifts include:

- Real property
- Donations
- Art work
- Free Training & Services

Banyule City Council does not encourage and will not automatically accept a gift or donation. Given the potential for a vast range in terms of quality, relevance and the ongoing responsibility and maintenance requirements, Council reserves the right to decline the offer.

Bequests

In relation to Bequests, consideration will be given to:

- The expressed wishes and intentions of the bequestor, as outlined in the will, are paramount in determining the purpose for which the gift will be used.
- Where Council is unable to honour the intentions of the will, all appropriate legal measures will be taken to determine a purpose for the gift that most closely aligns to the bequestor's intentions.

14. Disclosure requirements

- A Councillor must disclose any gift valued at \$500 or more in their biannual personal interest return unless the gift is from a family member.
- A Councillor who has a conflict of interest as a result of receiving a gift or gifts from a person must disclose the conflict of interest in accordance with the procedures outlined in the Governance Rules.
- Gifts above the gift disclosure threshold that are election campaign donations must be disclosed in an election campaign donation return.
- Gifts must also be disclosed in the Councillor gift register.

15. Gifts, Benefits & Hospitality Register

The Governance Unit maintains the Gifts Register for all gift declarations (for Councillors, Staff and Contractors).

Gifts accepted or declined over \$20 will be included in the register. The Register contains:

- A description of the gift and its estimated value
- The name of the gift giver
- What was done with the gift (was it retained by the Councillor, handed to the council, etc.)
- Gifts Declined
- Gifts offers from suppliers (irregular approaches from suppliers)

In accordance with the Banyule Public Transparency Policy, the Gifts Register will be available on Council's website.

Consideration will be given to maintaining reasonable confidentiality in situations where public disclosure will prejudice a proposed development or business venture, legal advice or legal proceedings.

The Manager Governance & Communication is to monitor the Gifts Register and report 6 monthly to the Executive Team on any identified systematic pattern of gifts offered and accepted to ensure that unacceptable cultures do not develop within sections of the Council. A report is to be presented annually to the Audit & Risk Committee.

16. Contacts for further information

A conflict of interest resulting from the acceptance of a gift, benefit or hospitality is not always clear to those who have them. Councillors who are unsure about the acceptance of a gift, benefit or hospitality, or the application of this policy, should speak with the CEO or Manager Governance & Communication.