

I hereby give notice that an Audit and Risk Committee Meeting will be held on:

Date: Tuesday, 6 December 2022
Time: 4.00 p.m.
Location: Level 4 Committee Room
Civic Centre
10 Watson Terrace
Mount Gambier

AGENDA

Audit and Risk Committee Meeting 6 December 2022



Sarah Philpott
Chief Executive Officer
02 December 2022

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1 ACKNOWLEDGEMENT OF COUNTRY

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR FIRST NATIONS PEOPLES HAVE WITH THE LAND.

2 APOLOGY(IES)

Nil

3 CONFIRMATION OF MINUTES

[Audit and Risk Committee Meeting - 26 September 2022](#)

RECOMMENDATION

That the minutes of the Audit and Risk Committee meeting held on 26 September 2022 be confirmed as an accurate record of the proceedings of the meeting.

4 QUESTIONS WITHOUT NOTICE



5 REPORTS

5.1 CORRESPONDENCE RECEIVED – REPORT NO. AR22/72224

Meeting: Audit and Risk Committee
CM9 Reference: AF11/863
Author: Sarah Dohnt, Executive Administrator Corporate and Regulatory Services
Authoriser: Darren Barber, General Manager Corporate and Regulatory Services

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR22/72224 titled 'Correspondence Received' as presented on 06 December 2022 be noted.



BACKGROUND

The report provides details of correspondence received since the previous ordinary meeting of the Audit and Risk Committee held 26 September 2022 and is provided for information.

DISCUSSION

The following correspondence has been received since the last ordinary meeting:

- ICAC Alert - Integrity Spotlight - Recruitment in Local Government


CONCLUSION

This report presents the attached correspondence received for presentation to the Audit and Risk Committee for noting in line with the Audit and Risk Committee Terms of Reference:

13.3 Other Matters - *Shall give consideration to:*

- **Relevant Audits** - *Consider the findings and recommendations of relevant audits undertaken by the SA Auditor General's Office, the South Australian Ombudsmen, Independent Commissioner Against Corruption (ICAC) and other agencies to ensure Council considers the relevant recommendations.*

ATTACHMENTS

1. ICAC Alert - Integrity Spotlight - Recruitment in Local Government [↓](#) 





Integrity Spotlight

V1.0 – October 2022

Alert

The selection and recruitment of staff can have a considerable impact on the integrity of an organisation.

Recruitment in Local Government

The Commission has recently dealt with matters arising from perceptions of favourable treatment during recruitment processes across local government.

These matters involved recruitment decisions made in the face of a personal connection between the candidate and the Council's decision maker.

The Commission is also aware of allegations that Council employees had received favourable employment conditions as a result of being managed by a family member.

This occurs more often in regional areas where such associations in the workplace are commonplace.

The process of recruiting staff can have a considerable impact on the integrity of an organisation. It is important that recruitments are fair and transparent, and that those involved in the selection of staff understand their roles and responsibilities.

Observations

Matters observed by the Commission in the course of investigations include:

- Selection panel members not declaring associations or relationships with candidates
- Roles being filled by individuals known to employees of the Council without being advertised or following a selection process
- Selection panel members influencing the outcome of recruitment decisions to advantage candidates with a personal association
- Selection criteria for positions being tailored to suit favoured candidates
- Employment terms being enhanced by managers who had a personal relationship with the employee, for example:
 - Part time or contract staff securing full time or permanent positions
 - Employees offered higher duties (in some cases for lengthy periods of time)
 - Existing employees moved into roles with higher salaries without the position being advertised or a selection process taking place.

What's the problem?

Favouritism and nepotism in recruitment can result in unsuitable staff being placed into roles. Where individuals have been, or are seen to have been, recruited through favoured treatment, this can lead to a broader culture of disregard of policies and expectations.

In these scenarios there is an increased risk of inappropriate conduct, and corruption.

Further, where there is the perception that recruitment processes are not fair and transparent, organisations can lose the public's confidence.

Regional councils must be particularly careful when recruiting new staff and managing employees where personal relationships may exist.

Things to consider

Set out the process in policies and procedures

Expectations in respect of recruitment ought to be clearly set out in policies and procedures. This is to ensure that agreed processes are followed, and those involved understand their roles and responsibilities.

A recruitment policy should require all members of a selection panel to declare any conflicts of interest. Doing so would trigger a management plan.

It may be that staff who would ordinarily form part of a selection panel for a particular role must excuse themselves if they encounter candidates with whom they have an association. It would hardly be appropriate to do otherwise.

A policy should set out the requirements for documenting each stage of the process. As a minimum, records ought to be maintained to explain the rationale for the recruitment and the approach adopted, as well as selection panel members' conflict of interest declarations, their assessment of each candidate, and a selection summary report that sets out how a preferred candidate was identified.

The panel must clearly document the justification for preferring a candidate.

The recruitment process should also set out a mechanism for complaints to be managed, ideally by individuals not involved in the process and without any conflict of interest.

Staff involved in a recruitment process should receive appropriate training to ensure they understand their roles and responsibilities.

Managing conflicts of interest in the workplace

In regional areas working with family members or friends is often inevitable. Perceptions of favouritism or bias can arise where employees are seen to be advantaged through their connection with decision makers.

This might be in terms of being awarded promotions, in the allocation of overtime, or in the approval of leave and other entitlements, including favourable changes to working arrangements or contract terms.

Where possible, conflicts ought to be avoided. If unavoidable, steps should be taken to manage the conflict to ensure equity and transparency throughout the process.

A conflicts of interest policy should define what a conflict of interest is, the process for declaring any conflicts, and the approach for managing conflicts when they arise.

Where conflicts of interest exist in the management of staff, a plan for managing approvals like leave, timesheets, overtime and any changes to working arrangements such as higher duties should be put in place. These responsibilities might best rest with an alternative manager when personal relationships give rise to a conflict.

Recommendations

- Clearly set out the recruitment process in policy and procedures, including:
 - roles and responsibilities
 - requirements for selection panel members to declare conflicts of interest
 - records that must be prepared and retained for each stage of the process (ie. selection panel's assessments and selection reports).
- Clearly set out the process for identifying, disclosing and managing conflicts of interest in a policy document. A central register of conflicts should be maintained.
- Have a plan for managing conflicts of interest in the workplace, in particular for those managing staff where there is a personal relationship.
- Ensure staff involved in recruitment and selection processes receive the appropriate training to fully understand their roles and responsibilities.



Further information

Local Government Act 1999

The Local Government Act sets out that the chief executive officer must ensure *that selection processes are based on an assessment of merit, and are fair and equitable*.¹

The Act also describes an employee's obligations in respect of conflicts of interest, and the circumstances where a person is considered closely associated with an employee of a council.²

<https://www.legislation.sa.gov.au>

Code of Ethics for the South Australian Public Sector

obliges public sector employees to avoid actual or perceived conflicts of interest, ensure their personal interests do not influence or interfere with the performance of their role, and disclose in writing to their agency head any actual or potential conflicts of interest.

<https://www.publicsector.sa.gov.au/hr-and-policy-support/ethical-codes/code-of-ethics>

Section 27 of the **Public Sector (Honesty and Accountability Act) Act 1995** imposes a duty on a range of public officers to disclose in writing any personal interests that conflict or may conflict with their duties, and to comply with any written directions to resolve the conflict.

<https://www.legislation.sa.gov.au>

Evaluation of the Practices, Policies and Procedures of the City of Playford Council

Independent Commissioner Against Corruption, November 2019.

<https://www.icac.sa.gov.au/publications/published-reports/evaluation-of-city-of-playford>

Identify, Disclose and Manage: Conflicts of Interest in Public Administration

Independent Commissioner Against Corruption, June 2021.

<https://www.icac.sa.gov.au/publications/published-reports/identify-disclose-manage>

¹ *Local Government Act 1999*, s 107 (2) (a).

² *Ibid* s 120.

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5.2 RISK REPORT - SEPTEMBER 2022 – REPORT NO. AR22/68368

Committee:	Audit and Risk Committee
Meeting Date:	6 December 2022
Report No.:	AR22/68368
CM9 Reference:	AF11/863
Author:	Leanne Little, HR and Risk Coordinator
Authoriser:	Darren Barber, General Manager Corporate and Regulatory Services
Summary:	This report describes the findings, recommendations and associated action plan following the Risk Evaluation Audit conducted by Local Government Risk Services (LGRS) in November 2021. This report also describes the funding applications that have been made to source funds from the scheme to enhance the risk profile of the organisation.
Strategic Plan Reference:	Goal 1: Our People Goal 2: Our Location Goal 3: Our Diverse Economy Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR22/68368 titled 'Risk Report - September 2022' as presented on 06 December 2022 be noted.



TYPE OF REPORT

Other

BACKGROUND

Local Government Risk Services (LGRS) are a business partner of the Local Government Association and administer the Mutual Liability Scheme and Workers Compensation for South Australian Councils.

LGRS provide specialist risk services to City of Mount Gambier including the development and implementation of proactive systems and processes for Risk Management, claims management and insurance risk transfer.

Every two years the LGRS provide a Risk Evaluation service to review the Councils Risk Management system against Local Government Sector baselines and other external requirements such as legislation, Return to Work South Australia Performance Standards and Self-Insurer requirements.

Risk Management at the City of Mount Gambier

1. Risk Management Update

The organisational update aims to highlight Risk Management processes that are periodic or specific in demonstrating a deliberate focus on improving Strategic Risk Management profile and accountability across the organisation.

1.1 Mutual Liability Coverage Overview 2022/2023

This section aims to provide an overview and update of focus areas in relation to Mutual Liability Coverage (Insurance).

The ELT has endorsed a Mutual Liability (Insurance) Administrative Principle which provides guidance for employees in understanding financial function responsibilities in correlation with best practice risk management. This clarity will provide a structured approach to the upcoming 2023/2024 renewal period.

The current financial climate has resulted in unprecedented increase in property value. To effectively reduce any potential exposure or loss the organisation engaged AssetVal under its current contractual arrangements to conduct a desktop valuation of major assets resulting in a significant increase of property value. Subsequently the risk has been minimised with insurance values increased on these properties.

Wulanda Recreation Centre is reaching the final stages of practical completion in November 2022 and City of Mount Gambier will assume asset responsibility.

The valuation process is complex and involves a combination of information from LGRS, Belgravia, COMG and Badge Construction and includes but not limited to, the building, contents owned by COMG and Belgravia.

This assessment will be completed by the end of November 2022 and before practical completion.

1.2 JLT Public Risk report 2021



The JLT Public Sector Risk Report for 2021 has been released. This report details the key Local Governments Risks and prioritises them based on specialised Local Government Knowledge experience and knowledge.
 This table below represents the greatest risks for Local Government as determined by JLT Public Sector.

Rank	JLT Public Sector 2021
1	Financial Sustainability
2	Cyber Security
3	Assets and Infrastructure
4	Disaster and Catastrophic Events
5	Reputation
6	Business Continuity
7	Climate Change / Adaption
8	Impact of Pandemic
9	Statutory & Regulatory Requirements
10	Ineffective Governance
11	Waste Management
12	HR / WHS Management
13	Civil Liability Claims
14	Terrorism

The organisation has started to utilise this Public sector report as guideline when evaluating the City of Mount Gambier Risk rankings in the same category.

1.3 Risk Management Action Plan Overview

The Risk Management Action Plan 2022 is a summary of deliberate actions that have been identified following the November Risk Evaluation Audit in 2021.
 There is a total of twenty-four (24) actions to be completed by December 2022. As at the end of September there was a total of twelve (12) actions or 50% had been completed.

A report was provided to ELT for discussion in October 2022 detailing barriers faced with completion of tasks as well as recommendations and opportunities to assist the organisation meeting the targets by engaging Strategic Risk Consultants through LGRS.

A new Risk Management Action Plan for 2022/2023 has been drafted and will be submitted to Executive Leadership Team for endorsement and comment at this meeting which will include the uncompleted tasks carried over and additional actions identified for action by the Human Resource and Risk Coordinator.

There may be further actions applied to the plan following recommendations by LGRS Strategic Risk Consultant report to be received by February 2023.

2. Review and Development of Organisational Risk Registers

Following endorsement of new Risk Management Principle and Framework earlier this year the organisation will now review and develop new organisational risk register.



The Executive Leadership Team participated in a Strategic Risk Workshop in October 2022 resulting in a reviewed Corporate Strategic Risk Register.

Following this workshop, a similar Strategic Risk Workshop will be conducted with the Management Team to educate on how the Strategic Risks link with Operational Risk Registers and business unit planning.

A schedule will be developed for endorsement by ELT which will outline the timeline of risk register development for all departments across the organisation. This schedule will be completed by late December 2022.

3. LGRS Risk Scheme Training & Prevention Programs

The mutual schemes have developed and implemented a suite of funded and partially funded WHS, and risk-based programs customised for South Australian Local Government Councils.

The organisation has access to these programs to identify and mitigate emerging risks as well as supporting development of internal Risk Management and Compliance programs.

In addition to this the organisation has been invited to participate within the Local Government Vulnerability project which will assist in gathering data about the organisation and its preparedness to plan for emergency and unplanned events.

The organisation currently has the following programs underway or in planning mode.

Program	Details	Value	Outcome
CyberCX Uplift Program	Assesses Cyber Vulnerability and Risk Profiling	\$15250	Approved
Phriendly Phishing Program	Employee Cyber Awareness automated program	\$ N/A	Approved
LGRS Strategic Risk Services	Strategic Risk Maturity Assessment, Development of Strategic Risk Training Plan	\$ N/A	Approved
LG Vulnerability Project	Assessment and vulnerability profiling	\$N/A	Approved

Summary

The City of Mount Gambier continues to develop and build on structured Risk Management practices within the organisation which will result in raising the risk profile and maturity of the organisation.

- Partnering with LGRS Strategic Risk Consultant to understand the risk maturity level across the organisation, development of training plan and receipt or report and recommendations by February 2023
- Development of Risk Register Schedule by the end of December 2022
- Participation in Local Government Vulnerability Project in 2023

Development of Playground Compliance Corrective Actions Process with acting Parks and Gardens Coordinator by February 2023



PROPOSAL

The City of Mount Gambier provide the Audit and Risk Committee with regular reporting on the organisational Risk Management Action Plan as part of the Risk Management Framework.

LEGAL IMPLICATIONS

Section 125 of the Local Government Act 1999 ('LG Act') requires Council to ensure that appropriate policies practices and procedures of internal control are implemented and maintained in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives.

Section 132A of the LG Act requires Council to ensure that appropriate policies, practices, and procedures are implemented and maintained to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.

Section 134(4) (b) of the LG Act requires Council to adopt risk management policies

STRATEGIC PLAN

Nil

COUNCIL POLICY

The Risk Management Framework will support [Council Policy - Risk Management](#).

ECONOMIC IMPLICATIONS

Nil

ENVIRONMENTAL IMPLICATIONS

Nil

SOCIAL IMPLICATIONS

Nil

CULTURAL IMPLICATIONS

Nil

RESOURCE IMPLICATIONS

Nil

VALUE FOR MONEY

Nil

RISK IMPLICATIONS

The City of Mount Gambier has participated in the November 2021 Risk Evaluation conducted by LGRS and thereby met its obligation of being a member of the scheme. Following the evaluation and to meet its legislative requirement the organisation will continue to work on adopting and regularly monitoring its risks through effective policies, procedures, and frameworks.

EQUALITIES AND DIVERSITY IMPLICATIONS

Nil

ENGAGEMENT AND COMMUNICATION STRATEGY

Nil

IMPLEMENTATION STRATEGY

Following the November 2021 Risk Evaluation, the City of Mount Gambier received a draft report from LGRS which allowed for the organisation to provide comment and feedback prior to official findings. The official report was received by the organisation in mid-February 2022 and was signed off by the CEO on 24 February 2022 and sent back to the scheme.



The 2022 Risk Management Action Plan has been completed with the 2023 planning process underway.

This process will be completed conjunction with the LGRS to ensure the City of Mount Gambier adequately addresses the opportunities for improvement.

CONCLUSION AND RECOMMENDATION

The City of Mount Gambier must provide the Audit and Risk Committee with regular reporting on organisation's Risk Management Action Plan as part of the Risk Management Framework.

ATTACHMENTS

Nil



5.3 WORK HEALTH, SAFETY AND WELLBEING - SEPTEMBER 2022 – REPORT NO. AR22/68371

Committee:	Audit and Risk Committee
Meeting Date:	6 December 2022
Report No.:	AR22/68371
CM9 Reference:	AF11/863
Author:	Leanne Little, HR and Risk Coordinator
Authoriser:	Darren Barber, General Manager Corporate and Regulatory Services
Summary:	This report is a summary of Council’s performance in the area of Workplace Health, Safety and Wellbeing. The report also provides an overview of key initiatives underway in this area.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR22/68371 titled ‘Work Health, Safety and Wellbeing - September 2022’ as presented on 06 December 2022 be noted.



TYPE OF REPORT

Other

BACKGROUND

This report is a presentation for the ongoing reporting structure for workplace health, safety and wellbeing at City of Mount Gambier. Its purpose is to provide the Audit and Risk Committee with a summary of our safety performance with insights for continuous improvement. This format will evolve as our data and reporting capability improves, and once there are established KPIs and targets that can provide a strategic oversight of safety performance with lag and lead indicators.

PROPOSAL

That City of Mount Gambier's Audit and Risk Committee receives a regular Work Health Safety and Wellbeing report presenting a quarterly update on performance, compliance and initiatives.

LEGAL IMPLICATIONS

Section 125 of the Local Government Act 1999 ('LG Act') requires the City of Mount Gambier to ensure that appropriate policies practices and procedures of internal control are implemented and maintained in order to assist the organisation to carry out its activities in an efficient and orderly manner to achieve its objectives.

City of Mount Gambier is required to provide and undertake measures to eliminate risks to health and safety, so far as is reasonably practicable. If it is not reasonably practicable to eliminate risks to health and safety, then to minimise those risks so far as is reasonably practicable and to demonstrate a systematic approach to the planning and implementation of Work Health and Safety processes that are compliant with the legislation, regulations and self-insurance requirements covered under:

- Work Health and Safety Act 2012
- Work Health and Safety Regulations 2012
- Return to Work Act 2014
- Return to Work Regulations 2015
- Code for the Conduct of Self-Insured Employers under the Return to Work Scheme which includes the Performance Standards (Injury management standards for self-insured employers April 2019 and Work Health and Safety standards for self-insured employers August 2017)

STRATEGIC PLAN

Nil

COUNCIL POLICY

The Workplace Health and Safety Management System supports [Council Policy - Risk Management](#).

ECONOMIC IMPLICATIONS

Nil

ENVIRONMENTAL IMPLICATIONS

Nil

SOCIAL IMPLICATIONS

Nil

CULTURAL IMPLICATIONS

Nil



RESOURCE IMPLICATIONS

Nil

VALUE FOR MONEY

Nil

RISK IMPLICATIONS

This report will assist the City of Mount Gambier to manage its risk associated with workplace health and safety ensuring it meets its legislative requirements and that its workforce and community are kept safe and healthy in the delivery of services and operations.

EQUALITIES AND DIVERSITY IMPLICATIONS

Nil

ENGAGEMENT AND COMMUNICATION STRATEGY

Nil

IMPLEMENTATION STRATEGY

City of Mount Gambier's Executive Leadership Team (ELT) and Work Health and Safety Committee (WHSC) have been receiving workplace health and safety reporting on a regular basis since late last year which will inform the quarterly report presented to the Audit and Risk Committee.

CONCLUSION AND RECOMMENDATION

This report provides a summary of our safety performance with insights for continuous improvement. It also provides a summary of key initiatives that are currently being worked on within this area.

It is recommended that a Workplace Health, Safety and Wellbeing Report continue to be presented to the Audit Risk Committee to ensure effective monitoring of compliance and performance.

ATTACHMENTS

1. Work Health Safety and Wellbeing Management Report August -September 2022 [↓](#) 






WORK, HEALTH, SAFETY AND WELLBEING MANAGEMENT REPORT

Bi-Monthly Report | August - September 2022

SAFETY ALWAYS





1. Summary

This report aims to provide a snapshot of the current state for safety compliance and performance at City of Mount Gambier (COMG). The organisation continues to show signs of improvement and has taken measures to increase and raise the profile of WHS including an emphasis of reporting incidents and hazards across the organisation.

The number of hazards reported for August (26) and September (23) has increased significantly compared to previous months (average of 5). The organisation needs to continue to focus on initiatives for improving hazard reporting and following through with hazard investigations.

There was one new notifiable incident in August 2022 and one in September 2022 reported to Safework SA who then determined that these matters were non notifiable.

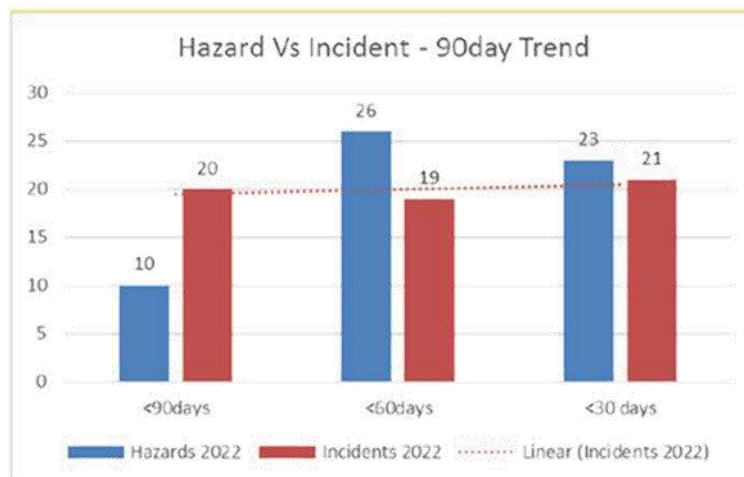
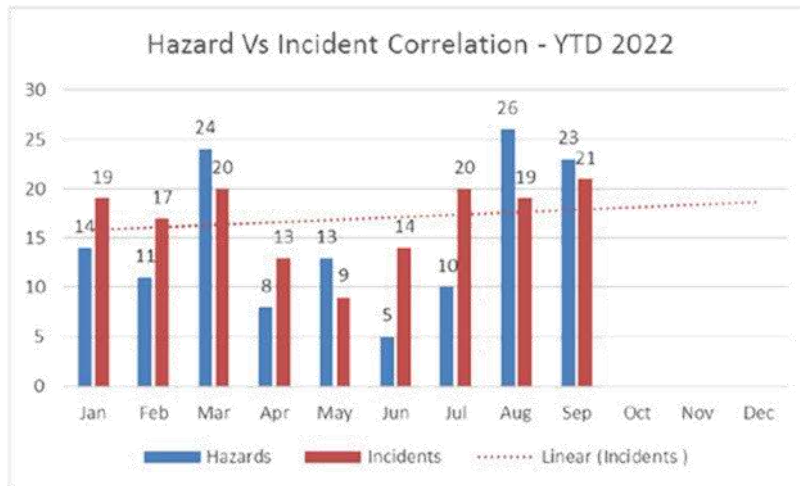
Current focus areas for the COMG:

- WHS IM Action Plan Monitoring tool for 2022 following the Risk Evaluation Audit finalised and tasks completed as detailed in the plan in a timely manner.
- Ongoing management of injury management claims with LGWCS.
- Embedding of the new WHS Committee
- Focus on increased hazard reporting and investigation for the organisation.
- Partnering with People Leaders to develop targeted investigation, incident, and corrective action training, using real organisation scenarios for maximum effectiveness (Expected to be delivered in February 2023).



2. Correlation between Hazards vs. Incidents

2.1



3. Hazard Management

3.1 Total Hazard Reports - Yearly Comparison

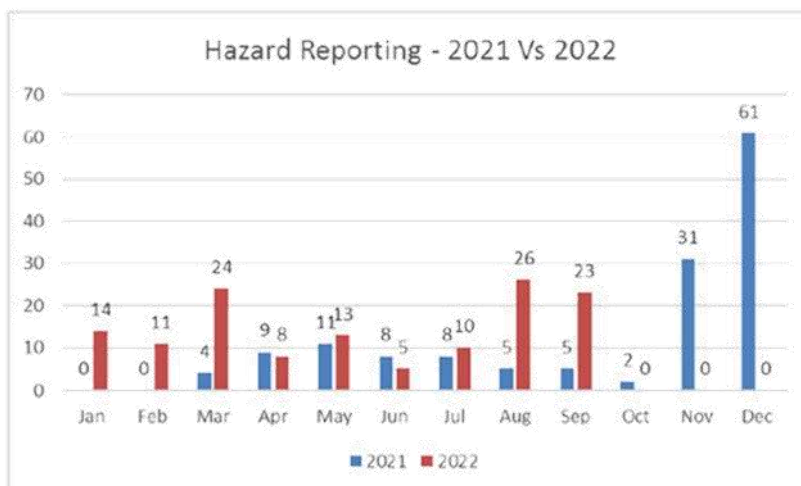
This graph demonstrates the comparison of the Organisational hazard reporting for each month compared to the same month in the previous year.

This assists with providing management an analysis of seasonal hazard trends which may occur across the organisation.

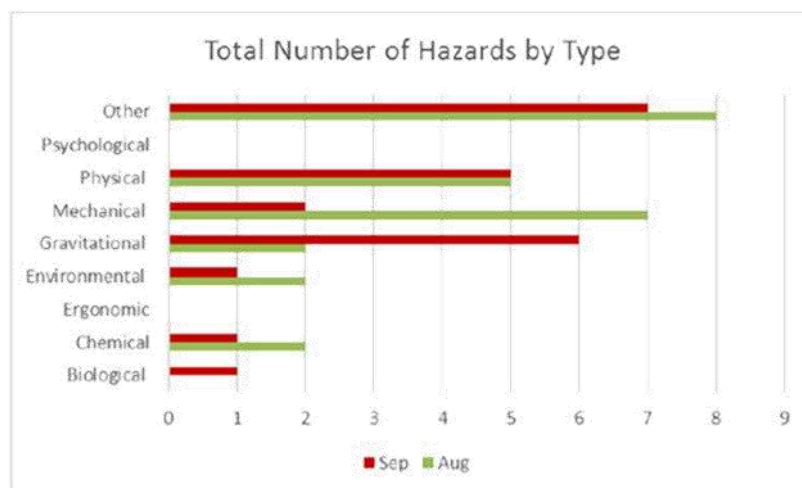


There was a total of twenty-six (26) hazards reported for August 2022 and twenty-three (23) for September 2022 compared to five (5) for August and five (5) for September in 2021.

This data indicates that the organisations need to continue to promote and focus on increasing hazard reporting.



3.2 Hazards by Type

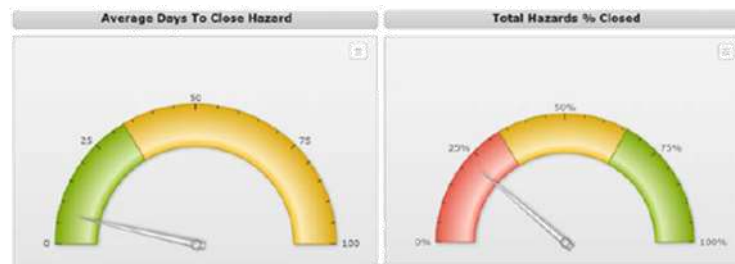


3.3 Effective Hazard Management for the month of August and September 2022

The total amount of hazards outstanding is one hundred (100).

The total percentage of hazards closed for the period of until September 2022 is 22.48%
 The average days taken to assess and close a hazard in the August to September period is 7.18 days. This is a significant improvement on the prior period which was an average 20 days to close out hazards.

The number of open hazards and average days to close a hazard has decreased and this can be attributed to an increase in understanding of hazard investigation and a continual focus on safety responsibility.



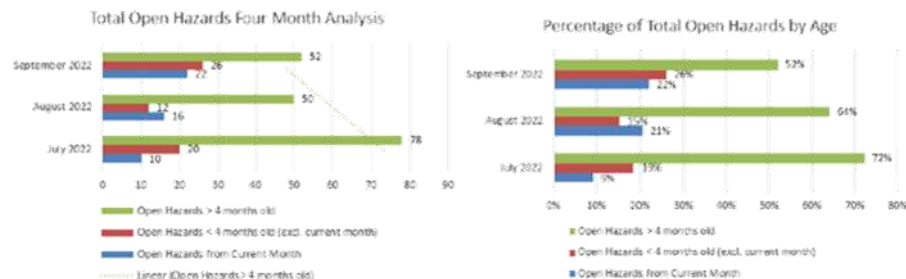
3.4 Hazard Management Closure Rate by Four-month Analysis

Open hazards may indicate that an investigation is still open and or that corrective actions have not been identified or implemented to a level that is acceptable by the organisation. The closure rate is based on a four-month analysis.

The total amount of open hazards within four months has increased from 19% to 26% as at September 2022. Whilst this is a small increase the overall outstanding hazards has decreased from 108 to 100 and the average days to close out hazards has improved from an average of 20 days to average of 7 days.

The total amount of open hazards that are outstanding greater than four months has decreased from 72% to 52%. This is indicative that the organisation has improved within hazard assessment understanding.

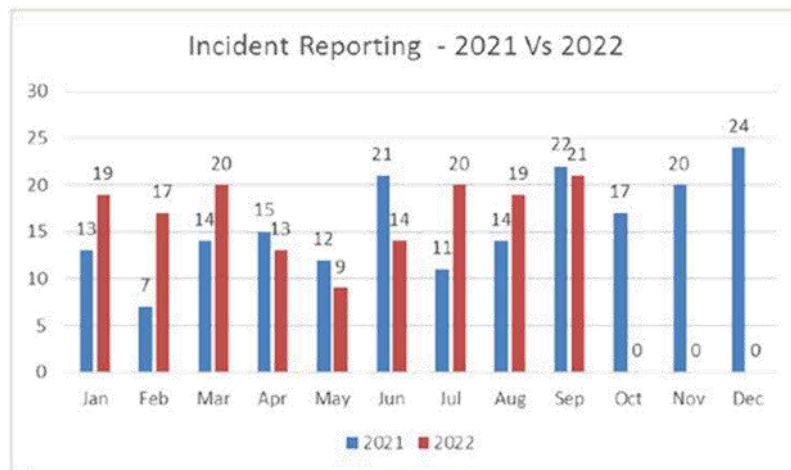
The linear trend on the four-month analysis indicates the total number of hazards open greater than four (4) months is steadily decreasing.



4. Incident and Investigation Management

4.1. Incident Reporting

This report demonstrates the total number of incidents reported across the organisation for the period of August was nineteen (19) and September was twenty-one (21) this is indicating the trend is increasing each month.

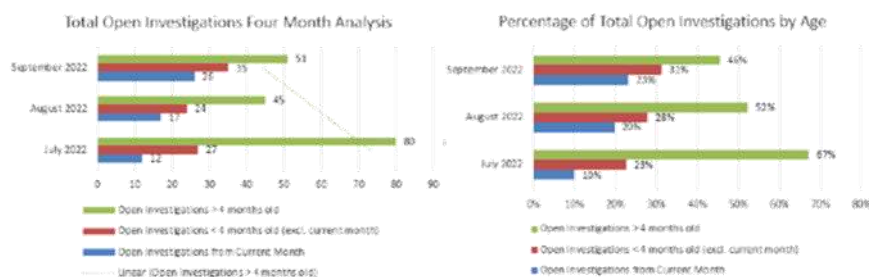


4.2 Effective Investigation Management

Open investigations indicate that an investigation is not complete and or that corrective actions have not been identified or implemented to a level that is acceptable by the organisation. The closure rate is based on a four-month analysis.

The total amount of open investigations that are outstanding within four months has increased from 23% at the end of at the end of July 2022 to 41% at the end of September 2022.

The total amount of open investigations that are outstanding greater than four months has decreased from 67% at the end of July 2022 to 46% at the end of September 2022



4.43 Open and Overdue Investigations by Department

There is a total of one hundred and twelve (112) open investigations for the organisation at the end of September 2022, this is an increase from eighty-six (86) at the end of August 2022.

5. Inspections and Audits

Workplace inspections have continued to occur in line with the scheduled inspection cycle.

Current overdue inspections:

There are currently no overdue site inspections.

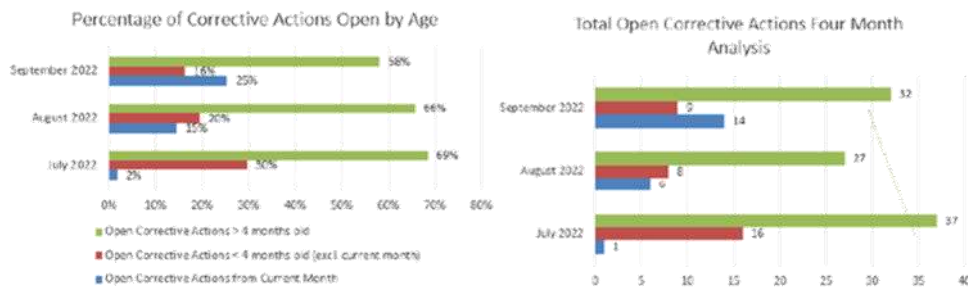
6. Corrective Actions Register

Open corrective actions indicate that an agreed action to rectify an incident or investigation has not been completed to a level that is acceptable by the organisation. The closure rate is based on a four-month analysis.

There was a total of fourteen (14) corrective actions issued in September 2022 and a total of six (6) issued in August, as at the end of September 2022 an overall total of fifty-five (55) outstanding actions.

The total amount of open corrective actions that are closed within four months has decreased from 20% in August 2022 to 16% in September 2022

The total amount of open corrective actions that are outstanding greater than four months has decreased from 66% in August 2022 to 58% in September 2022



7. Injury Management

7.1 Lost Time Injury Frequency Rate (LTIFR) – Work in Progress



A lost-time injury is something that results in a fatality, permanent disability or time lost from work. It could be as little as one day or shift.

- LTIFR refer to the number of lost-time injuries within a given accounting period, relative to the total number of hours worked in that period.
- LTIFR is a proxy measurement for safety performance.

LTIFR calculations measure the number of lost-time injuries per million hours worked during an accounting period. It is a figure that can be benchmarked with others in the industry.

The organisation is currently unable to report on LTIFR.

The Human Resources Team has identified a function within Skytrust that will enable the organisation to report on this information. The team are currently working through a process to capture and report on this data.

7.2 Injuries by body location details – August 2022 to September 2022



8. IM WHS Action Plan

8.1 WHS IM Action Plan Progress Report– (Yearly action plan – AR21/73314 (v4))

The Human Resources team meet with LGRS Regional Risk Coordinator monthly to review the progress of the IM WHS Action plan. Progress for the months of August and September 2022 is listed below.

September 2022 progress

- As at end of September 94% (September) of planned actions have been closed out

- A total of 32 actions have been identified to be closed out by end of September 2022
- Achievement to date is 30 actions closed with 2 to be completed

August 2022 progress

- As at end of August 93% (August) of planned actions have been closed out
- A total of 32 actions have been identified to be closed out by end of September 2022
- Achievement to date is 27 actions closed with 5 to be completed

9. Wellbeing Initiatives

9.1 Ageing and Work Health Program – AR20/45900

The Ageing Work Health program will continue to be highlighted within the Weekly Wellbeing Newsletter

The program provides guidance tools to help support the Ageing and Work Health Program for the City of Mount Gambier and is supported by Local Government Risk Services.

9.2 Wellbeing Program

The Wellbeing Program continues to receive positive feedback and engage employees with 48% of the entire organisation participating within the program until June 2022.

Due the level of engagement and positive feedback the organisation will submit an award nomination for this initiative through the Local Government Risk Management Awards 2022/2023.

10. Continuous Improvement/ Projects

10.1. Principle and Procedure development and review schedule

The procedures listed below were reviewed by relevant People Leaders in further detail after the November WHS Committee meeting and recommendation provided outlined that these procedures should be provided to the relevant workgroups for consultation.

Principle/ Procedure Name	Document number	Responsibility	Review Date	Status
Emergency Management Principle	AR17/33071	WHSC	Apr-21	Reviewed at committee meeting held 22/03/2022 members to provide further reviews to the HR inbox by Friday 1st April 2022. Reviewed by EPC Committee September 2022. Requires draft changes by HR and distribution to ELT for review and endorsement.

Emergency Management procedure	AR21/33128	WHSC	May-21	Reviewed at committee meeting held 22/03/2022 members to provide further reviews to the HR inbox by Friday 1st April 2022. Reviewed by EPC Committee September 2022. Requires draft changes by HR and distribution to ELT for review and endorsement.
Contractor Management Procedure	AR17/33125	WHSC	Feb 2021	WHS committee required to provide feedback by 14/10/2022. HR will then make recommended changes and forward to ELT for review and endorsement.
Hot work Procedure	AR17/33079	WHSC	Jan 2022	WHS committee required to provide feedback by 14/10/2022. HR will then make recommended changes and forward to ELT for review and endorsement.
Corrective and Preventative Action Procedure	AR17/33126	WHSC	Feb 2022	WHS committee required to provide feedback by 14/10/2022. HR will then make recommended changes and forward to ELT for review and endorsement.
Ageing and Work Health Program - Age Friendly Workplace Guidance Tool	AR22/53241	WHSC	New guidance tool	WHS committee required to provide feedback by 14/10/2022. HR will then make recommended changes and forward to ELT for review and endorsement.



5.4 REVIEW OF AUDIT AND RISK COMMITTEE TERMS OF REFERENCE – REPORT NO. AR22/65115

Committee:	Audit and Risk Committee
Meeting Date:	6 December 2022
Report No.:	AR22/65115
CM9 Reference:	AF11/863
Author:	Julie Scoggins, Manager Finance
Authoriser:	Darren Barber, General Manager Corporate and Regulatory Services
Summary:	This report is presented to enable the Audit Committee to review the Draft Audit and Risk Committee Terms of Reference and provide a recommendation to Council to adopt at the next Council meeting.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR22/65115 titled 'Review of Audit and Risk Committee Terms of Reference' as presented on 06 December 2022 be noted.
2. That the Audit Committee:
 - (a) Authorises the General Manager Corporate and Regulatory Services in liaison with the Presiding Member to make any minor amendments to the draft Audit and Risk Committee Terms of Reference that the Committee identifies and to then finalise the document; and
 - (b) Recommend to Council that the draft Audit and Risk Committee Terms of Reference be adopted.



TYPE OF REPORT

Other

BACKGROUND

1. **Decision Making Structure** - Council adopted at its meeting held on 29 November 2022 a decision making structure that included the Audit and Risk Committee (a Committee established under s41 of the Local Government Act 1999).
2. **Current Terms of Reference** - The Audit Committee's Terms of Reference - (under 14.2) indicate that the Committee shall at least once every two years review its terms of reference. In addition to the requirement in the Terms of Reference, the Audit Committee works program suggests a yearly review of the Terms of Reference.
3. **Prior Formal Review** – One prior formal review by the Committee was on 12 April 2021 and the Terms of Reference were adopted at the Council meeting held on 20 April 2021.
4. **Initial Review** – It was recognised that the initial Draft Terms of Reference presented to the Audit Committee included significant changes for the committee's consideration, and therefore the document was provided as a first draft at the Audit Committee meeting on 20 September 2021.
5. **Legislative Changes** – It should be noted that these changes assisted the committee in the transition to an Audit and Risk Committee as prescribed in the new Local Government Act Statutes Amendment (Local Government Review) Act 2021.
6. **Initial Review** - An initial review of the Audit & Risk Committee Terms of Reference was undertaken at the Audit Committee meeting on 20 September 2021.
7. **Further Review/Benchmarking** – Following feedback and review of Terms of Reference for other South Australian Councils, further changes were made to the draft Audit & Risk Committee Terms of Reference.
8. **Terms of Reference Review and Adoption** – The Terms of Reference was reviewed by the Audit and Risk Committee on 8 November 2021 and adopted by Council at the meeting in November 2021.
9. **New Legislation** - The new Local Government Act Statutes Amendment (Local Government Review) Act 2021 recommended a number of changes that were incorporated as best practice in the Terms of Reference prior to the effective date of the legislative changes..

PROPOSAL

1. **Minor Changes** – A number of minor changes have been made to the Terms of Reference including the following items that have been removed (as shown in red in the Draft Terms of Reference attached):
 - **7.1 Voting Rights** - *The Chairperson of the Committee shall have a casting vote on occasions where there is an equal number of votes on a matter.* This has been removed as this is contrary to **9.6 Deliberate Vote** - *Each Member of the Committee including the Chairperson present at any meeting of the Committee shall have one deliberate vote only.*
 - **14.3 Biannual Report** – *The Committee must prepare a biannual report to Council describing the activities of the Committee including its findings and recommendations. This report will be provided to the CEO for tabling at the next Council meeting.* This has been removed as minutes are taken to the Council meeting following the Audit Committee meeting and the Self-Assessment Report is taken to Council annually.
2. **Review** - The Draft Terms of Reference of the Audit and Risk Committee are presented for review by the Audit and Risk Committee prior to recommendation for Council to adopt.



LEGAL IMPLICATIONS

As outlined in this report, the Local Government Act Statutes Amendment (Local Government Review) Act 2021 has been considered in the development of these recommendations.

STRATEGIC PLAN

Nil

COUNCIL POLICY

[T150 Treasury Management Policy](#)

[B300 Budget Framework Policy](#)

[F225 Fraud and Corruption Prevention Policy](#)

[P415 Prudential Management](#)

[R105 Rating](#)

ECONOMIC IMPLICATIONS

Nil

ENVIRONMENTAL IMPLICATIONS

Nil

SOCIAL IMPLICATIONS

Nil

CULTURAL IMPLICATIONS

Nil

RESOURCE IMPLICATIONS

Nil

VALUE FOR MONEY

Nil

RISK IMPLICATIONS

A high functioning Audit and Risk Committee is a valuable resource in Council's overall risk strategy and management.

EQUALITIES AND DIVERSITY IMPLICATIONS

Nil

ENGAGEMENT AND COMMUNICATION STRATEGY

Nil

IMPLEMENTATION STRATEGY

The terms of reference once adopted will be uploaded onto Council's website. Audit & Risk Committee reports will also include details of their alignment to the Terms of Reference.

CONCLUSION AND RECOMMENDATION

This report recommends that the Audit Committee consider its draft terms of reference with the intent of recommending that this draft is adopted at the next Council meeting.

ATTACHMENTS

1. Draft Audit and Risk Committee Terms of Reference December 2022 [↓](#) 





Audit and Risk Committee

TERMS OF REFERENCE

A Committee of Council
established pursuant to the provisions of
Sections 126 and 41
of the Local Government Act 1999

Terms of Reference for the conduct of the business of the Audit and Risk Committee were approved and adopted by the City of Mount Gambier at its meeting held on **xxxx 2022**.



Audit and Risk Committee

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1. ESTABLISHMENT:

- 1.1 **Legislation** - Pursuant to Sections 41 and 126 of the Local Government Act 1999 the Council has established a Committee to be known as the City of Mount Gambier Audit & Risk Committee ("the Committee").
- 1.2 **Functions** - The functions of the Audit and Risk Committee include, per the Local Government Act 1999, Division 2, Section 126 (4):
 - (a) reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and
 - (b) proposing and providing information relevant to, a review of the council's strategic management plans or annual business plan; and
 - (c) proposing and reviewing, the exercise of powers under section 130A; and
 - (d) liaising with the council's auditor; and
 - (e) reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.
- 1.3 **Delegation** - The Committee has no delegation to act, with all recommendations of the Committee (and of any Sub-Committees established by the Committee) to be considered by full Council for final decision and resolution.

2. INTERPRETATION:

- 2.1 For the purpose of these Terms of Reference, unless inconsistent with the subject matter or context:

Term	Interpretation
Act	The Local Government Act 1999 and includes all Regulations and Schedules.
Committee	The Committee of Council established pursuant to clause 3.
Committee Member	The persons appointed by the Council to the Committee pursuant to clause 4.
Commencement Date	The date on which the Committee is established and becomes operative pursuant to clause 3.
Council	The City of Mount Gambier that established the Committee and to which the Committee reports.
Chair Person	The person appointed to that position pursuant to clause 5.
Observers	Those persons attending any meeting of the Committee of Council, but not having a vote on any matter to be determined by the Committee and not having been appointed as Committee Members.
Sub-Committee	A sub-committee established in accordance with the Act.

- 2.2 Any words, phrases or terms used in these Terms of Reference that are defined in the Act shall have the same meaning as are given in the Act.
- 2.3 A reference in these Terms of Reference to a "singular" includes a reference to the "plural" and a reference to a "plural" includes a reference to the "singular".
- 2.4 These Terms of Reference shall be interpreted in line with the provisions of the Act.
- 2.5 **Notices** - All communications to be given to the Committee shall be addressed to:
 City of Mount Gambier Audit and Risk Committee



PO Box 56
MOUNT GAMBIER SA 5290
Email: city@mountgambier.sa.gov.au

3. **AUTHORITY:**

3.1 **Overall Objective** - The Committee is created with the express objective of providing considered advice to Council within the scope of its purpose and reasons for establishment.

3.2 **Delegation Status** - The Committee does not have delegated powers or delegated financial responsibilities or authority to implement actions in areas over which management has responsibility.

3.3 **Management Function** - Therefore, the Committee does not have any management function and is independent to management.

3.4 **Council Authorisation** - Within its scope of responsibility, Council authorises the Committee to:

- (a) perform activities within the scope of this Terms of Reference;
- (b) require the attendance of Senior Council Officers at meetings as required;
- (c) have access to members of Executive Leadership Team, employees and relevant information;
- (d) oversee the performance and meet with both the external auditor and the internal auditor;
- (e) request necessary financial resources to be provided to enable the Committee to receive any necessary legal, accounting or other professional advice.

4. **MEMBERSHIP/COMPOSITION:**

4.1 **Membership** - Members of the Audit & Risk Committee are appointed by Council. The size of the Committee be between three (3) and five (5) members (inclusive) consistent with any Regulations and shall consist of:

- At least one (1) Councillor;
- At least two (2) Independent members.

4.2 **Appointment to Committee** - Appointments to the Committee shall be for a period of at least two years, reviewed at a common appointment date every two years. The common appointment date for existing appointees is 31 December. Appointees may be reappointed by Council.

4.3 **Resignation** - Of the appointment must be in writing.

4.4 **Confidentiality** - Committee members shall not directly or indirectly release or make available to any person any information relating to the work or discussions of the Committee of which he or she is a member or was in his or her possession except in accordance with such terms and in such a manner as stipulated by City of Mount Gambier Council.

4.5 **Vacancies** – A vacancy in the membership of the committee will not invalidate any decisions of the committee, provided a quorum is maintained during meetings.



- 4.6 **Advisors** - The Chief Executive Officer (CEO), the General Manager Shared Services (GMSS) and the Manager Finance are not members of the Committee, but should attend meetings in an advisory capacity.
- 4.7 **Role Of Mayor** - Is an ex officio member of the Committee.
- 4.8 **Council Members** - The Council members of the Committee shall be appointed by Council at its Statutory Meeting, unless otherwise determined by the Chairperson of the Committee.
- 4.9 **External Auditors** - Council's external auditors shall be invited to attend a minimum of two (2) meetings of the Committee each financial year. Attendance is at the external auditor's discretion.
- 4.10 **Voting Rights** - Only members of the Committee are entitled to vote (move and second) in Committee meetings.
- 4.11 **Role of Council Staff** - Members of Council's staff may attend any meeting as observers and be responsible for preparing papers for the Committee.
- 4.12 **Committee Meeting Location** - In accordance with the principles of open, transparent and informed decision making, Committee meetings must be conducted in a place open to the public.

5 **INDEPENDENT MEMBERS**

Independent Members are external members who are neither Councillors or a member of Council staff, as outlined in section 126(2) of the Act.

- 5.1 **Required Skills & Experience** - Independent Members shall have senior business or financial management/reporting knowledge and expertise, and be conversant with the financial, risk management and governance issues, and have extensive accounting, auditing or legal skills and other reporting requirements of Local Government.
- 5.2 **Appointment** - The appointment of external independent members shall be made by Council resolution following public advertisement in the local newspaper and Council website.
- 5.3 **Tenure** - Independent members shall be appointed for a term of two years, after which time Council can choose to exercise an option to renew the appointment for another term. Independent members can only serve for two consecutive terms without public advertisement, however, members may re-apply at the end of their term(s) and be re-appointed for further terms through the public advertisement process.
- 5.4 **Remuneration** - Remuneration paid to independent members will be a set fee per meeting with an additional amount paid to the Chairperson. Travelling costs will also be reimbursed.
- 5.5 **Resignation** - In the event of a resignation of an external independent member or statutory change, the Committee has the option to review unsuccessful applicants from the initial recruitment process and recommend to Council to appoint an applicant, if this occurs within the previous 12 month period.



6. **COUNCIL MEMBERS**

6.1 **Appointment** - The Council member(s) of the Committee shall be appointed by Council at its Statutory Meeting, unless otherwise determined by the Chairperson of the Committee.

7. **COMMITTEE CHAIRPERSON:**

7.1 **Role** – The role of the Chairperson is to:

- **Meeting Conduct** - Oversee the orderly conduct of meetings in accordance with the *Local Government Act 1999*, the *Local Government (Procedures at Meetings) Regulations 2013* and the Council's Code of Conduct for Meeting Procedures;
- **Guiding Principles** - Ensure that the Guiding Principles in Regulation 4 are observed and that all Committee Members have an opportunity to participate in discussions in an open and responsible manner.
- ~~**Voting Rights** – The Chairperson of the Committee shall have a casting vote on occasions where there is an equal number of votes on a matter.~~

7.2 **Appointment** - The Chairperson of the Committee must be appointed by Council resolution and be an independent member. The Chairperson will be appointed for two years.

7.3 **Tenure** - After serving two years, the Committee may choose to appoint the Chairperson for a further one year term or the Committee may choose to nominate another Chairperson from the independent membership for a one year term. The process will be dependent on the Committee seeking nominations from the current independent membership and providing a report for noting to the Council.

7.4 **Acting Chairperson** - In the absence of the appointed Chairperson from a meeting, the meeting will appoint an acting Chairperson from the Independent members present at the meeting.

8. **NOTICE OF MEETINGS:**

8.1 The Committee shall conduct its meetings in the Council Chamber, 10 Watson Terrace, Mount Gambier.

8.2 In accordance with Section 87 of the Act a notice of each meeting confirming the venue, date and time, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and observers, no later than three (3) clear days before the date of the meeting. Supporting papers shall be sent to Committee Members (and to other attendees as appropriate) at the same time.

9. **MEETINGS AND DOCUMENTATION:**

9.1 **Number of Meetings** - The Committee have an ordinary meeting at least four times a year at appropriate times in the reporting and audit cycle and otherwise as required.

9.2 **Additional Meetings** – Shall be convened at the discretion of the Chairperson or at the written request of a Committee member, the CEO or the internal or external auditors.



- 9.3 **Quorum** - At all meetings of the Committee a quorum must be present, noting the following:
- No business shall be transacted at any meeting of the Committee unless a quorum of Members is present.
 - A quorum will be determined by dividing by 2 the number of Members formally appointed to the Committee ignoring any fraction and adding 1. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any authorities, powers and discretions vested in or exercisable by the Committee.
- 9.4 **Role of Chairperson** - The Chairperson, when physically present, shall preside at all meetings of the Committee and at any other time the Committee shall appoint an Acting Chairperson who shall preside at that meeting.
- 9.5 **Voting Rights** - Each Member of the Committee including the Chairperson present at any meeting of the Committee must vote on any matter requiring determination and all decisions shall be decided on a simple majority of votes cast.
- 9.6 **Deliberate Vote** - Each Member of the Committee including the Chairperson present at any meeting of the Committee shall have one deliberate vote only.
- 9.7 **Meeting Access** - In accordance with the principles of open, transparent and informed decision making, Committee meetings must be conducted in a place open to the public. The agenda and minutes of the Committee meetings, subject to any items that are discussed in confidence under Section 90 of the Local Government Act 1999 and subsequently retained as confidential under Section 91 of the Act, are also required to be made available to the public.
- 9.8 **Documents** - Members of the public shall have access to all documents related to the Committee unless prohibited by resolution of the Committee under the confidentiality provisions of Section 90 and 91 of the Local Government Act 1999.

10. MINUTES OF MEETINGS:

- 10.1 **Role of The CEO** - The CEO shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present are minuted and that the minutes otherwise comply with the requirements of the *Local Government (Procedure at Meetings) Regulations 2013*.
- 10.2 **Minutes Review** - The Chairperson will review the minutes within one week of the meeting and these will be presented to the next practicable Council meeting. The minutes will then be formally approved at the subsequent meeting of the Committee.
- 10.3 **Minutes Availability** – Minutes shall be made available to all Members of the Committee, Council and the public.
- 10.4 **Minutes Confirmation** - Minutes of the Committee Meeting shall be submitted for confirmation at the next meeting of the Committee and if confirmed, shall be signed by the Chairperson or other person presiding at the subsequent meeting.
- 10.5 **Submission To Council** - Minutes of the Committee Meeting and any recommendations (including the minutes and recommendations of any Sub-Committee established by the Committee) shall be submitted to Council and shall be of no effect until endorsed as a resolution of Council.



11. MEETING PROCEDURE:

- 11.1 **Legislation** - The Committee shall conduct meetings in accordance with the *Local Government Act 1999* and *Local Government (Procedures at Meetings) Regulations 2013*.
- 11.2 **Conflict of Interest** – Conflict of Interest declarations pursuant to S 73 – 75B of the Local Government Act 1999.

12. ROLE OF THE AUDIT AND RISK COMMITTEE:

12.1 Financial Reporting:

The Committee shall:

12.1.1 **Financial Statements** - Monitor the integrity of the financial statements of the Council, including in its annual report, reviewing significant financial reporting issues and judgements which they contain.

12.1.2 **Review and challenge** - where necessary:

- The consistency of, and/or any changes to accounting policies.
- The methods used to account for significant or unusual transactions where different approaches are possible.
- The compliance with appropriate accounting standards and use of appropriate estimates and judgements, taking into account the views of the external auditor.
- The clarity of disclosure in the Council's financial reports and the context in which statements are made; and
- All material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

12.2 Internal Controls and Risk Management Systems

The Committee shall:

12.2.1 **Effectiveness** - Monitor the effectiveness of the Council's internal controls and risk management systems; and

12.2.2 **Review and recommend the approval** - Where appropriate, of statements to be included in the annual report concerning internal controls and risk management.

12.2.3 **Risk Profile** - Keep under review Council's overall risk profile and monitor risk exposure.

12.2.4 **Risk Management** - Monitor the risk exposure of Council by determining if management has appropriate risk management processes and adequate management information systems.

12.2.5 **Risk Management Framework** - Review Council's Risk Management Policy and Framework and risk profile. Monitor the process of review of Council's risk profile to ensure that material risks are dealt with appropriately.

12.2.6 **Risk Register** - Receive status reports on a regular basis of the risk register and actions being taken to manage identified risks.



12.3 **Public Interest Disclosure Act**

The Committee shall:

12.3.1 **Council's Arrangements** - Review the Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.

12.3.2 The Committee shall ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.

12.4 **Internal Audit** (where Council does not have a separate internal audit function)

The Committee shall:

12.4.1 **Monitor and Review** - The effectiveness of the Council's internal audit function in the context of the Council's overall risk management system.

12.4.2 **Program** - Consider and make recommendation on the program of the internal audit function and the adequacy of its resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

12.4.3 **Reports** - Review all reports on the Council's operations from the internal auditors.

12.4.4 **Findings and Recommendations** - Review and monitor management's responsiveness to the findings and recommendations of the Internal Auditor; and

12.4.5 **Direct Access** - Provide the internal Auditor with the right of direct access to the Mayor of the Council and to the Chairperson of the Committee.

12.5 **External Audit:**

The Committee shall:

12.5.1 Consider and make recommendations to the Council, in relation to the appointment, re-appointment and removal of the Council's external auditor.

12.5.2 **Selection/Resignation Process** - The Committee shall oversee the selection process for a new external auditor and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required.

12.5.3 **Relationship** - Oversee Council's relationship with the external auditors including, but not limited to:

- **Remuneration** - Recommending the approval of the external auditor's remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted.
- **Terms of Engagement** - Recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit.



- **Independence & Objectivity** - Assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the external auditors, including the provision of any non-audit services.
 - **Relationships** - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Council (other than in the ordinary course of business).
 - **Assessment** - Assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the external auditors on the Committee's own internal quality procedures).
 - **Follow up** - Action(s) to follow up on matters raised by the external auditors.
- 12.5.4 **Meeting** - Meet as needed with the external auditor. The Committee shall meet the external auditor at least once a year to discuss the external auditor's report and any issues arising from the audit.
- 12.5.5 **Annual Audit Plan** - Review and make recommendations on the annual audit plan, and in particular its consistency with the scope of the external audit engagement.
- 12.5.6 **Audit Findings** - Review the findings of the audit with the auditor. This shall include, but not be limited to, the following:
- A discussion of any major issues which arose during the external audit;
 - Any accounting and audit judgements; and
 - Levels of errors identified during the external audit.
- 12.5.7 **Effectiveness** - The Committee shall also review the overall effectiveness of the external auditor.
- 12.5.8 **Representation Letter(s)** - Review any representation letter(s) requested by the auditor before they are signed by management.
- 12.5.9 **Management Letter** - Review the management letter and management's response to the external auditor's findings and recommendations. Subsequent to the initial review the Committee will oversee action to follow up on matters raised by the external auditors.
- 12.6 **Review of Strategic Management and Business Plans:**
The Committee shall review and provide advice on Council's strategic management plans (at the time of their preparation and scheduled review), which include the following:
- Strategic Plan;
 - Key principles and assumptions of the Long Term Financial Plan;
 - Various Asset Management Plans; and
 - Annual Business Plan.

12.7 **Prudential Reports:**



12.7.1 **Review** - The Committee shall provide advice on the management of any prudential reports prepared for Council and provide advice to Council.

13. OTHER MATTERS:

The Committee:

- 13.1 **Annual Work Program** - The Committee must adopt an annual work program.
- 13.2 **Oversee Investigations** - Shall oversee any investigation of activities that are within its Terms of Reference.
- 13.3 **Other Matters** - Shall give consideration to:
 - **Relevant Audits** – Consider the findings and recommendations of relevant audits undertaken by the SA Auditor General's Office, the South Australian Ombudsmen, Independent Commissioner Against Corruption (ICAC) and other agencies to ensure Council considers the relevant recommendations.
 - **Any Other Matters** - any other matters referred to it by Council meeting resolution or the CEO.
- 13.4 **Resources** - Shall have access to reasonable resources to carry out its duties.
- 13.5 **Training** - Be provided with appropriate and timely training, both in the form of an induction program for new members and an ongoing basis for all members.
- 13.6 **Insurance** - Shall advise Council's insurers of any civil liability or risk management issue. It should also be noted that Members of the Committee will be covered by Council's insurance policies while engaged in the business of the Committee.
- 13.7 **Legislation** - Give due consideration to the *Local Government Act 1999* and regulations made under the Act.

14. REVIEW/REPORTING:

- 14.1 **Recommendations** - The Committee shall make whatever recommendations to Council it deems appropriate on any area within these Terms of Reference where in its view action or improvement is needed.
- 14.2 **Self-Assessment Reports** - The Committee will at least once a year, review its own performance and provide a Self-Assessment Report to the CEO for tabling at the next Council meeting.
- ~~14.3 **Biannual Report** – The Committee must prepare a biannual report to Council describing the activities of the Committee including its findings and recommendations. This report will be provided to the CEO for tabling at the next Council meeting.~~
- 14.3 **Terms of Reference** – The Committee shall at least once every two years review its terms of reference.
- 14.4 **Council Review** - Council may review and amend the Committee Terms of Reference at any time, providing that the Committee has an opportunity to provide Council with any concerns that arise.



15. **ACCESS TO TERMS OF REFERENCE:**

- 15.1 The Audit and Risk Committee Terms of Reference is available for public inspection at the Customer Centre, 10 Watson Terrace, Mount Gambier, South Australia and on the Council's website www.mountgambier.sa.gov.au



5.5 SELF-ASSESSMENT OF PERFORMANCE AUDIT AND RISK COMMITTEE – REPORT NO. AR22/77367

Committee:	Audit and Risk Committee
Meeting Date:	6 December 2022
Report No.:	AR22/77367
CM9 Reference:	AF11/863
Author:	Julie Scoggins, Manager Finance
Authoriser:	Darren Barber, General Manager Corporate and Regulatory Services
Summary:	To present for consideration and adoption, the draft Audit and Risk Committee Self-Assessment Annual Report.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR22/77367 titled 'Self-assessment of Performance Audit and Risk Committee' as presented on 06 December 2022 be noted.
2. That the Audit and risk committee:
 - (a) Authorise the General Manager Corporate and Regulatory Services in liaison with the Presiding Member to make any minor amendments to the attached draft Audit and Risk Committee Self-Assessment Annual Report 2021/2022 that the Committee identifies and to then finalise the document; and
 - (b) Recommend to Council that the Audit and risk committee's Self-Assessment Report for 2021/2022 be adopted.



TYPE OF REPORT

Other

BACKGROUND

- 1. Audit and Risk Committee Terms of Reference** – The following section of the current Audit and Risk Committee Terms of Reference is relevant to this report:

The Committee shall:

14.2 Self Assessment Reports - The Committee will at least once a year, review its own performance and provide a Self Assessment Report to the CEO for tabling at the next Council meeting.

- 2. Performance Review** - The Audit and Risk committee Terms of Reference requires the Committee to review its own performance to seek to ensure that it is operating at maximum effectiveness and recommend any desired changes to Council.
- 3. The Local Government Act Financial Sustainability Information Paper 3** - On Audit and Risk Committees recommends that the Committee provide an annual report to Council.
- 4. Committee Minutes** - The Minutes of each Committee meeting are provided to each Council Member and Committee Member and recommendations from the Committee are provided to the following Council meeting for consideration/adoption. All Committee recommendations in 2021/2022 have been adopted by Council.
- 5. Meetings** - The Committee met 6 times during 2021/22 and considered reports on topics including but not limited to: The Annual Financial Statements, Annual Work Plan, Annual Business Plan, Long Term Financial Plan and Asset Management Plans, Audit Engagement, Policies, Quarterly Budget Reviews, Risk and Work Health and Safety, and the Self-Assessment of the Audit and Risk Committee.

PROPOSAL

Self-assessment

The Audit and risk committee's self-assessment are drafted in Table 1. This table is consistent with the review table included in the 8 November 2021 audit and risk committee report.

The audit and risk committee members are encouraged to provide any additional or alternative input into the drafted response for inclusion before finalisation.

Table 1: Self performance considerations

AREA	COMMENT
Role & Terms of Reference	The audit and risk committee is of the view that functions and extent of authority as defined under S126 (4) local government act are adequately defined in the <i>Terms of Reference</i> established by Council. The last review of the Terms of Reference was performed on 8 November 2021.
	The audit and risk committee is of the view that its role and function includes the monitoring of Financial Reporting and Management, Internal controls and Risk Management Systems, the effectiveness of internal audit functions and the external audit arrangements.
Independence	Independent Opinions/Views - The audit and risk committee is of the view that it is able to form opinions and express views independently without perceiving a conflict of interest based on their current position within or outside Council.



AREA	COMMENT
	Council Staff Attendance - The audit and risk committee believes that the invited attendance of the CEO, a General Manager, the Manager Financial Services, or other Council staff at times, provides direction without influence. Continued attendance is desirable.
Committee Skills/Training	<p>Selection - The audit and risk committee is of the view that its members have been selected due to their qualifications and expertise and their combined qualifications and experience allow it to perform its role appropriately.</p> <p>Skills/Experience - Members' backgrounds include a combination of accounting, risk management, internal control and/or external audit experience and exposure. Members have access to relevant and ongoing professional training.</p>
Work Program	2021/2022 Program - The audit and risk committee's work program for 2021/2022 met its areas of focus and the audit and risk committee recognises that its work program can be updated based on changing expectations and/or to address topical issues and emerging trends.
Council Structure and Decision Making	<p>Council - The audit and risk committee are aware of the processes of Council, Council's organisational structure and decision-making processes.</p> <p>Documentation - Audit and risk committee members are provided with copies of financial statements, policies and reports of Council if and when relevant. In the 2022/2023 Financial Year Council staff will continue to present and discuss relevant financial processes to promote transparency and understanding.</p>
Meeting Operation and Frequency	Frequency - 6 audit and risk committee meetings were held in 2021/22 with 5 ordinary meetings and one special meeting which has exceeded the requirement to meet at a minimum of four times a year.
Resources available to the Audit and risk committee	<p>Staff Resources - The audit and risk committee utilises the resources of Council through the attendance of the external audit service provider, the CEO, the General Manager Corporate and Regulatory Services, the Manager Financial Services and other employees as requested.</p> <p>External Auditors - The audit and risk committee has liaised with external auditors and Council employees as required in order to meet its role and terms of reference. The audit and risk committee has met with the auditor three times during the last financial year.</p>
Audit and risk committee's working relationship with Council and the senior management team	<p>Role & Function - Council appears to be aware of role and function of audit and risk committee. Presence of CEO, the Manager Financial Services and the General Manager Corporate and Regulatory Services assists the audit and risk committee in decision achievement.</p> <p>Support - No issues of conflict have arisen. The audit and risk committee recognises the significant role played by Council employees to address and advise the Committee.</p>
The Audit and risk committee's access to appropriate Council information	Oversight - The audit and risk committee notes its oversighting role regarding financial and risk management within Council. Although it has no operational responsibility it has access to necessary information to perform its review role around the policies, procedures and compliance related to policies and procedures guiding decisions with major financial or risk implications.



AREA	COMMENT
	Works Program - The audit and risk committee is able to contribute to the Annual Works Program incorporating any subjects is determines to be either topical or of consistent interest to the committee.
The extent to which the Audit and risk committee’s advice is contributing to the effective operation of the Council	Terms of Reference - The audit and risk committee recognises that its role and terms of reference are a requirement of the local government act. Members are cognisant of their requirements, roles and responsibilities.
	Function and Role - The audit and risk committee holds the view that its function and role will be increasingly viewed as complimentary to Council in its activities for ratepayers.
	Policies - Five policies were taken to the audit and risk committee for review including the following: B300 Budget Framework, T150 Treasury Management Policy, P420 Procurement and Disposal of Land and Assets, Asset Accounting Policy and A900 Asset Management Policy.
	Annual Report – Council’s Annual Report includes a summary of the annual works program undertaken for the year, the number of meetings held and meeting attendance.

LEGAL IMPLICATIONS

Local Government Act Sections 126 and 41.

Local Government (Financial Management) Regulations 2011

Terms of Reference – Audit and risk committee

STRATEGIC PLAN

N/A

COUNCIL POLICY

N/A

ECONOMIC IMPLICATIONS

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

SOCIAL IMPLICATIONS

N/A

CULTURAL IMPLICATIONS

N/A

RESOURCE IMPLICATIONS

N/A

VALUE FOR MONEY

N/A

RISK IMPLICATIONS

N/A



EQUALITIES AND DIVERSITY IMPLICATIONS

N/A

ENGAGEMENT AND COMMUNICATION STRATEGY

N/A

IMPLEMENTATION STRATEGY

N/A

CONCLUSION AND RECOMMENDATION

The recommendation to Council is that they adopt the Audit and Risk committee's Self-Assessment Report based on the information contained in this report.

ATTACHMENTS

Nil



**5.6 AUDIT AND RISK COMMITTEE WORK PROGRAM & MEETING SCHEDULE 2023 –
REPORT NO. AR22/77371**

Committee:	Audit and Risk Committee
Meeting Date:	6 December 2022
Report No.:	AR22/77371
CM9 Reference:	AF11/863
Author:	Julie Scoggins, Manager Financial Services
Authoriser:	Darren Barber, General Manager Corporate and Regulatory Services
Summary:	This report provides details of the proposed Audit and Risk Committee work program and meeting schedule.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR22/77371 titled 'Audit and Risk Committee Work Program & Meeting Schedule 2023' as presented on 06 December 2022 be noted.
2. That recommended meeting months (below) supplied by the Audit and Risk Committee be adopted by council, noting that the meeting dates are subject to change, including if an additional meeting is required:
 - (a) February 2023;
 - (b) March 2023;
 - (c) May 2023;
 - (d) July 2023;
 - (e) October 2023; and
 - (f) November 2023.
3. That the draft work program as reviewed by the Audit and Risk Committee for the calendar year 2023 (attached) be adopted, noting the meeting months and schedule are subject to change, including if an additional meeting is required.



TYPE OF REPORT

Corporate

BACKGROUND

1. **Terms of Reference** - The Audit and Risk Committee (ARC) Terms of Reference was adopted by Council in November 2021, the following sections of the terms of reference are relevant to this report:

- 9.1 **Number of Meetings** - *The Committee have an ordinary meeting at least four times a year at appropriate times in the reporting and audit cycle and otherwise as required.*
- 9.2 **Additional Meetings** - *Shall be convened at the discretion of the Chairperson or at the written request of a Committee member, the CEO or the internal or external auditors.*

The Committee:

13.1 **Annual Work Program** - *The Committee must adopt an annual work program.*

2. **Purpose of the Work Program** - The Audit and Risk Committee has a work program that enables responsibilities from the Terms of Reference to be scheduled across the various committee dates.

PROPOSAL

1. **Number of Meetings** - The meetings scheduled in this report ensure that there are a minimum of four meetings per financial year aligned with the Audit and Risk Committee Terms of Reference.
2. **Meetings Schedule** - The meetings for 2023 are scheduled to occur on a Monday, the timing of which accommodates the forwarding of ARC recommendations to the next Council meeting which is held on the third Tuesday of each calendar month, except for December:
 - February 2023;
 - March 2023;
 - May 2023;
 - July 2023;
 - October 2023; and
 - November 2023.
3. **Changes to Schedule** - The meeting dates and schedule are subject to change, including if an additional meeting is required.
4. **Publication of Work Program** - The program will be published on the Audit and Risk Committee's page of Council's website.
5. **Internal Audit** - At this stage no specific reports have been defined or reports allocated to particular dates. The internal audit approach and work program are currently being established for the coming financial year.

LEGAL IMPLICATIONS

The Audit and Risk Committee is required under S126 of the Local Government Act 1999.

STRATEGIC PLAN

N/A



COUNCIL POLICY

N/A

ECONOMIC IMPLICATIONS

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

SOCIAL IMPLICATIONS

N/A

CULTURAL IMPLICATIONS

N/A

RESOURCE IMPLICATIONS

Sitting fees are included in the annual budget.

Reports for the Audit and Risk Committee are incorporated into staff work plans.

VALUE FOR MONEY

N/A

RISK IMPLICATIONS

There is a risk that some reports identified in the work program may be delay to a different meeting.

EQUALITIES AND DIVERSITY IMPLICATIONS

N/A

ENGAGEMENT AND COMMUNICATION STRATEGY

N/A

IMPLEMENTATION STRATEGY

CONCLUSION AND RECOMMENDATION

The Audit and Risk Committee draft Work Program 2023 is sufficiently detailed and flexible to enable the Committee to fulfill its Terms of Reference.

ATTACHMENTS

1. Audit and Risk Committee Program [↓](#) 



Audit & Risk Committee - Draft Work Program

Month	February	March	May	July	October	November
Recommendations To Council Meeting Dates	March	April	May	August	October	December
Financial Reporting & Management:						
Review statutory financial statements					■	
Comparison of actual performance to budget as at year-end					■	
Review performance of investments and borrowings						■
External Audit Attendance Letter				■		
Audit & Risk Committee self-assessment and annual report						■
Internal Controls and Risk Management Systems:						
Monitor effectiveness of Council's internal controls & risk mgt systems.			■			
Strategic Risk Register		■	■		■	
Review of insurances					■	
Local Government Act Reform		■	■		■	
Work Health Safety Update	■	■	■		■	
Internal Audit (TBC):						
Internal Audit - Oversight of program planning and scope.						
Progress on internal audits						
External Audit:						
Review annual audit plan	■					
Meeting with auditors to review audit findings					■	
Review audit management report and management's response	■		■	■	■	■
Review any Mgt Representation Letter before they are signed by management.					■	
Review of Strategic Management and Business Plans:						
Review Asset Management Plans (Forward Works Program)			■			
Review Long Term Financial Plan			■			
Review Annual Business Plan			■			
Budget Reviews (BR1, BR2, BR3)	■	■	■			
Policy Reviews:						
Asset Accounting Policy (Annual review)		■				
Any other policies as required						
Other:						
Review annual work plan						■



5.7 EXTERNAL AUDIT MANAGEMENT REPORT – REPORT NO. AR22/77370

Committee:	Audit and Risk Committee
Meeting Date:	6 December 2022
Report No.:	AR22/77370
CM9 Reference:	AF11/863
Author:	Julie Scoggins, Manager Financial Services
Authoriser:	Darren Barber, General Manager Corporate and Regulatory Services
Summary:	To inform the Audit and Risk Committee of the progress against Council’s External Auditor’s recommendations for the 2020/2021 and the 2021/2022 years.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR22/77370 titled ‘External Audit Management Report’ as presented on 06 December 2022 be noted.



TYPE OF REPORT

Corporate

BACKGROUND

1. **Audit and Risk Committee Terms of Reference** - The following section of the Audit and Risk Committee Terms of Reference is relevant to this report:
 - 12.5.6 **Audit Findings** - Review the findings of the audit with the auditor. This shall include, but not be limited to, the following:
 - A discussion of any major issues which arose during the external audit;
 - Any accounting and audit judgements; and
 - Levels of errors identified during the external audit.
 - 12.5.9 **Management Letter** - Review the management letter and management's response to the external auditor's findings and recommendations. Subsequent to the initial review the Committee will oversee action to follow up on matters raised by the external auditors.
2. **External Auditor Recommendations** - Council's previous external auditor, Galpins Accountants Auditors and Business Consultants, were appointed as Council's external auditor in 2016 and undertook interim and balance date audits over the following 5 years. Recommendations for improvement were put forward by Galpins with follow up actions agreed with Council.
3. **Appointment of External Auditors** - Dean Newbery and Partners were appointed as Council's external Auditors for a period of 5 years commencing with the audit of the financial year ending 30 June 2022.
4. **Audit and Risk Committee Recommendation February 2022** – A report be provided to the Audit and Risk Committee at least on a quarterly basis throughout the financial year to provide an update on the progress against the recommendations raised by the External Auditors.
5. **Interim Audit Visit** - Council's external auditors (Dean Newbery and Partners) undertook an interim site visit in April 2022 in relation to the external audit for the year ended 30 June 2022.
6. **Balance Date Audit** – Council's external auditors (Dean Newbery and Partners) undertook a balance date audit site visit in August 2022 in relation to the external audit for the year ended 30 June 2022.

PROPOSAL

1. **Action Plan** - Council staff have prepared and are continuing to implement an action plan to address the items identified in the Management Reports.
2. **Council's Progress** - This report and its attachments provide an update on Council's progress in implementing the continuous improvement recommendations noted on the 28th February 2022 Audit and Risk Committee Agenda (Attachment 1).
3. **2020/2021 Internal Controls Report** - As shown in Attachment 1 of this report of the five activities highlighted, one has been completed, two are partially completed and two are yet to implemented pending a Business Systems review.
4. **Interim Management Report May 2022 Management Response** - Attachment 2 also shows the progress against the fourteen risks raised can be categorised as follows:
 - **Actions That Are Complete (6 Risks)** - Including User access levels – payroll Masterfile, general journal review, asset revaluation reserve adjusting entry, user access levels – segregation of duties, payroll and accounts payable back up duties, and procurement exemption register.



- **Actions That Are Partially Complete (8 Risks)** – Including internal financial controls, internal plant hire and full cost attribution, policy register, grants register, Riddoch Art Collection - Curatorial and Preservation Policy and Library books accounting treatment, leases and licences register and payroll procedure.
5. **Balance Date Audit 2021/2022** – Two matters were raised to be addressed for future financial years including Caroline Landfill Post Closure Provision Review and Infrastructure Asset Revaluation. Initial actions have been taken to address both of these matters (Attachment 3).
 6. **Next Update** – The next update will be brought to the Audit and Risk Committee at the February 2023 meeting.

LEGAL IMPLICATIONS

Actions are required to be resolved to ensure compliance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and accounting standards.

Section 129 of the Local Government Act 1999.

STRATEGIC PLAN

N/A

COUNCIL POLICY

[A900 Asset Management Policy](#)

[P420 Procurement, & Disposal of Land and Assets](#)

[Asset Accounting Policy](#)

[B300 Budget Framework](#)

[T150 Treasury Management Policy](#)

ECONOMIC IMPLICATIONS

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

SOCIAL IMPLICATIONS

N/A

CULTURAL IMPLICATIONS

N/A

RESOURCE IMPLICATIONS

N/A

VALUE FOR MONEY

N/A

RISK IMPLICATIONS

N/A

EQUALITIES AND DIVERSITY IMPLICATIONS

N/A

ENGAGEMENT AND COMMUNICATION STRATEGY

N/A






IMPLEMENTATION STRATEGY

CONCLUSION AND RECOMMENDATION

The external audit management reports indicate that overall Council has effective controls in place, with opportunity for improvements noted, action plans established to achieve best practice and progress made to date.

ATTACHMENTS

1. Attachment 1 - Interim Audit 2021 [↓](#) 
2. Attachment 2 - Interim Audit 2022 [↓](#) 
3. Attachment 3 - Balance Date Audit [↓](#) 



Attachment 1

Auditor Recommendation or Comment	Risk	Progress	Target Date	Status	Responsibility	Completion Date
2020/21 Internal Controls Letter						
		Executive reporting developed and implemented.	31-Dec-21	Complete	JS	31-Dec-21
Purchase Orders raised after invoices are received	M	Revised procurement policy and recommendations from procurement review presented to Executive, Audit and Risk Committee and Council. Updated policy adopted by Council at the April 2022 Council meeting. Draft procurement procedures have been prepared and are currently being reviewed.	31-Dec-22	Partially Complete	JS	
No formal maintenance plans supporting general maintenance strategies per the Asset Management Plan.	L	Asset maintenance programs will be developed following service reviews including a review of required service levels.	31-Dec-22	Partially Complete	BC	
Accounts Payable - Improvements required in process for uploading supplier EFT files into online banking system.	M	A business systems review is scheduled. Any direct interface would need to be considered following completion of the review. As shown in the original response audit checks are already in place that would identify any changes.	30-Jun-23	Not started	JS	
Payroll - Improvements required in process for uploading supplier EFT files into online banking system.	M	A business systems review is scheduled. Any direct interface would need to be considered following completion of the review. As shown in the original response audit checks are already in place that would identify any changes.	30-Jun-23	Not started	JS	



Attachment 2

Ref	Auditor Recommendation or Comment	Risk	Progress	Target Date	Status	Responsibility	Completion Date
2021/22 Interim Management Report							
1	User Access Levels - Payroll Masterfile	H	A review of finance systems access was undertaken by the Manager Financial Services with recommendations provided to the Executive team in June 2022. All payroll processing and ability to make changes to the payroll masterfile has been removed from staff not directly involved in the processing of payroll.	30-Jun-22	Complete	JS	30-Jun-22
2	Internal Control Self Assessment	H	The internal controls policy was reviewed by the Audit and Risk Committee in July and adopted by Council in August. A cross-functional team has agreed an approach.	31-Mar-23	Partially Complete	JS	
3	General Journal Review	H	Evidence of journal review was provided to the Auditors for the balance date audit. The responsibility for the raising of journals has been reviewed with recommendations made to the Executive team.	31-May-22	Complete	JS	30-Jun-22
4	Asset Revaluation Reserve - Adjusting Entry	H	The entry was reversed at the year-end and highlighted in the year-end reporting.	31-May-22	Complete	JS	31-May-22
5	User Access Levels - Segregation of Duties	M	A review of finance systems access was undertaken by the Manager Financial Services with recommendations provided to the Executive team in June 2022.	30-Jun-22	Complete	JS	30-Jun-22
6	Internal Plant Hire Rates and Full Cost Attribution	M	To be outsourced with expected delivery by the end of Quarter 3 2023.	31-Mar-23	Partially Complete	JS	
7	Policy Register	M	A quarterly report on policies for review is scheduled in the corporate calendar for presentation to the Executive Leadership Team.	Ongoing	Partially Complete	MM	
8	Payroll and Accounts Payable Back Up Duties	L	Backfill has occurred whilst key staff have been on leave and the procedures have been tested.	31-Dec-22	Complete	JS	30-Nov-22
9	Grants Register	L	A grants schedule was developed in preparation for the year-end process with details of all grants awarded.	31-Mar-23	Partially Complete	JS	
10	Procurement Exemption Register	L	A procurement exemption register was created in April 2022 aligned with the specified requirements. The relevant procurement procedure was amended and presented to the Executive team in June/July 2022 with example reporting. The process has been implemented with training provided to key stakeholders across the organisation.	30-Jun-22	Complete	JS	20-Jul-22
11	Riddoch Art Collection - Curatorial and Preservation Policy	L	Draft policy constructed. To be brought to Audit and Risk Committee in the new calendar year.	31-Mar-23	Partially Complete	JS	
12	Library Assets - Capital vs Operating	L	Revised Asset Accounting Policy included for review at Audit and Risk Committee meeting on 25 July 2022. Change in treatment included in draft Budget Review 1 to be taken to the December Council meeting.	30-Jun-23	Partially Complete	JS	
13	Leases and Licences Register	L	The Lease / Licence Register data entry is now 100% complete and up to date. It will continue to be updated as and when things change. It is available in the RelianSys system for various staff to view, use and add actions for them which will provide them with email notifications when due.	30-Jun-23	Partially Complete	MM	
14	Payroll Procedure	L	Payroll procedures have been developed and are on track for delivery by the end of December 2022.	31-Dec-22	Partially Complete	JS	



Attachment 3

Ref	Auditor Recommendation or Comment	Risk	Progress	Target Date	Status	Responsibility	Completion Date
2021/22 Balance Date Audit - Matters to be addressed in future financial years							
1	Caroline Landfill - Post Closure Provision	H	The Manager Waste and Reuse has started to collate the required information and is preparing the draft forward works program for review in January 2023.	30-Jun-23	Partially Complete	MM	
2	Infrastructure - Asset Revaluation	H	The outsourcing of condition audits is being finalised prior to undertaking the procurement exercise for the outsourcing of the valuation for this asset category.	30-Jun-23	Partially Complete	AMJS	



5.8 ASSET ACCOUNTING POLICY REVIEW – REPORT NO. AR22/82159

Committee:	Audit and Risk Committee
Meeting Date:	6 December 2022
Report No.:	AR22/82159
CM9 Reference:	AF11/863
Author:	Julie Scoggins, Manager Financial Services
Authoriser:	Darren Barber, General Manager Corporate and Regulatory Services
Summary:	Following discussions with the External Auditors at the Audit and Risk Committee meeting on 26 September 2022 minor changes are proposed for the Asset Accounting Policy to provide further flexibility for the Infrastructure asset category.
Strategic Plan Reference:	Goal 1: Our People
	Goal 2: Our Location
	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage
	Goal 5: Our Commitment

REPORT RECOMMENDATION

1. That Audit and Risk Committee Report No. AR22/82159 titled 'Asset Accounting Policy Review' as presented on 06 December 2022 be noted.
2. That the Asset Accounting Policy as attached to Report No. AR22/82159 having been reviewed by the Audit and Risk Committee on 6 December 2022 be adopted.



TYPE OF REPORT

Corporate

BACKGROUND

1. **Audit and Risk Committee Terms of Reference** - The following section of the Audit Committee Terms of Reference is relevant to this report:

The Committee shall:

12.1.2 *Review and challenge - where necessary:*

- *The consistency of, and/or any changes to accounting policies.*

2. **Audit and Risk Committee Review** – The new Asset Accounting policy was reviewed by the Audit and Risk Committee at the meeting on 28 March 2022.
3. **Council Meeting** – The following resolution was made at the Council meeting on 19 April 2022:

RESOLUTION 2022/74

Moved: Cr Sonya Mezinec

Seconded: Cr Max Bruins

1. *That Audit and Risk Committee Report No. AR22/19830 titled 'Asset Accounting and Asset Management Policies' as presented on 28 March 2022 be noted.*
 2. *That the Asset Accounting Policy as attached to Report No. AR22/19830 having been reviewed by the Audit and Risk Committee on 28 March 2022 be adopted with the following changes:*
 - (a) the right of use of leases assets be included*
 - (b) the purpose be altered to exclude Treasury Management*
 - (c) the policy review date be changed to annually*
 3. *That Policy A900 - Asset Management as attached to Report No. AR22/19830 having been reviewed by the Audit and Risk Committee on 28 March 2022 be adopted.*
 4. *That Council Policy C375 Council Vehicles - Provision and Replacement as attached to Report No. AR22/19830 be revoked.*
4. **External Auditors Recommendation Interim Audit April 2022** - With the introduction of the One Card system in 2014/15 under Libraries SA, the requirement of control, to recognise an asset, over these library books may no longer be met by Council due to the patron's ability to borrow and return books at any public library across South Australia. As a result, the External Auditors recommended that Council Administration review the accounting treatment of library books.
 5. **Interim Audit Action** – The interim audit letter management response included the following actions:
 - Accounting treatment change to be implemented from the 2022/23 financial year.
 - Revised Asset Accounting Policy to be taken to the Audit and Risk Committee including this change in July 2022 and to Council for adoption in August 2022.
 - The change in accounting treatment will be recognised in the 2022/23 budget at Budget Review 1 in December 2022.
 - The change will be recognised in the actual financial statements for 2022/23
 6. **Council Meeting August 2022** – Two minor amendments were made to the draft Asset Accounting policy as follows:



- **Library Books** - Were removed from this policy to be treated as an operating expense from 2022/23 financial year following Budget Review 1.
- **Other Assets** - The asset life for other assets was increased from 7 years to 10 years to reflect the removal of library books that were depreciated over 7-10 years.

PROPOSAL

1. Minor changes are proposed for the Asset Accounting Policy to ensure the following (as shown in red in the attached draft policy):
 - **Infrastructure Assets** - This asset category has been broken down into more granular asset classes to facilitate a more flexible approach to condition audits and valuations. This is a category that includes a significant number of assets with a considerable value. The current structure of the asset accounting policy means that Council needs to value this whole category at one time.
 - **Heritage Place and Open Space** - This is a new asset category which will be created and used for future use.
 - **Other** – Other minor adjustments have been made for consistency and in recognition of the nature of new assets acquired for the Wulanda Recreation and Convention Centre.
2. It should be noted that these minor changes are not anticipated to represent the formal review of the policy that will be undertaken on an annual basis.

LEGAL IMPLICATIONS

- The Asset Accounting Policy is a key financial policy that ensure that all Council owned assets are valued and depreciated in accordance with relevant Australian Accounting Standards (“the Standards”) pursuant to Local Government Act 1999 under section 303(4).

STRATEGIC PLAN

N/A

COUNCIL POLICY

The Asset Accounting Policy is aligned with the following Council Policies:

[A900 Asset Management Policy](#)

[P420 Procurement, & Disposal of Land and Assets](#)

ECONOMIC IMPLICATIONS

Aids in the delivery of economic outcomes.

ENVIRONMENTAL IMPLICATIONS

N/A

SOCIAL IMPLICATIONS

N/A

CULTURAL IMPLICATIONS

N/A

RESOURCE IMPLICATIONS

N/A

VALUE FOR MONEY

N/A



RISK IMPLICATIONS

Prudent management of Council's financial sustainability ensures that long and short term financial risk is mitigated.

EQUALITIES AND DIVERSITY IMPLICATIONS

N/A

ENGAGEMENT AND COMMUNICATION STRATEGY

N/A

IMPLEMENTATION STRATEGY

It is intended that these changes will be implemented as required.

CONCLUSION AND RECOMMENDATION


The Asset Accounting Policy is a key financial policy that ensure that all Council owned assets are valued and depreciated in accordance with relevant Australian Accounting Standards ("the Standards") pursuant to Local Government Act 1999 under section 303(4).

It is anticipated that no further changes to the minor changes included in the draft policy are considered at this time.

ATTACHMENTS

1. Draft Asset Accounting Policy V3.0 [↓](#) 



 City of Mount Gambier	COUNCIL POLICY ASSET ACCOUNTING POLICY	
	Version No:	3.0
	Issued:	Jan 2023
	Next Review:	Jan 2024

1. INTRODUCTION:

The purpose of this policy is to ensure that all Council owned assets are valued and depreciated in accordance with relevant Australian Accounting Standards ("the Standards") pursuant to Local Government Act 1999 under section 303(4).

2. PURPOSE:

The purpose of this policy is to provide clear direction to management, staff and Council in relation to the Asset Accounting function.

3. SCOPE:

The scope of this policy is to ensure:

- **Asset Life** - That Council makes a distinction between costs incurred on long-lived assets and costs incurred on goods and services for immediate consumption;
- **Depreciation** - All depreciation estimates are prepared and maintained in accordance with the Standards and reviewed annually; and
- **Revaluations** - Are performed at a sufficient frequency to ensure that the carrying amount does not differ materially from the fair value at the reporting date.

This Policy is applicable to all Council owned assets.

The scope of this policy includes 'right-of-use assets' as defined in AASB 16 Leases.


The scope of this policy excludes library books that will be treated as an operating expense from 2022/23 financial year following Budget Review 1.

4. DEFINITIONS:

Key Term - Acronym	Definition
Amortisation	The systematic allocation of the depreciable amount of an asset over its useful life (e.g. for an asset valued at \$500,000 with a 5 year useful life the annual amount amortised would be \$100,000 per annum).
Asset	A resource with economic value that is owned or controlled by an entity with the expectation that it will provide a future benefit.
Asset Consumption Ratio	Value of infrastructure assets/gross current replacement cost of infrastructure assets.
Asset Renewal Funding Ratio	Capital expenditure on renewal or replacement of existing assets as a percentage of asset management plans allocation. Capital expenditure on renewal or replacement of existing assets / Asset Management Plan.

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 City of Mount Gambier	COUNCIL POLICY ASSET ACCOUNTING POLICY		Version No:	2.0
			Issued:	Jan 2023
			Next Review:	An 2024

Key Term - Acronym	Definition
Asset Register	A register for reliably recording inventory type details of an asset and may incorporate other information such as condition, valuation and location.
Carrying Amount	The amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.
Cost	The amount of cash or cash equivalents paid, or the fair value to acquire an asset at the time of its acquisition or construction.
Depreciation	The monetary value of an asset decreases over time (useful life) due to use, wear and tear or obsolescence. This decrease is measured as depreciation. Depreciation is the measure of 'using up' or consumption of the asset, in providing that asset to the community and is measured on an annual basis.
Depreciable Amount	The cost of an asset or any other amount substituted for cost, less its residual value.
Fair Value	Is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
Gifted Assets	Is an asset constructed by a party other than a Council (typically a developer) and transferred to Council to maintain.
Intangible Assets	Are identified as non-monetary assets without physical substance. Some examples of intangible assets include; licences, intellectual property and computer software.
Maintenance	Regular ongoing day-to-day work necessary to keep assets operating, and does not extend the asset's useful life e.g. road patching. This is an operating expense as this does not increase the value of the asset.
New Asset	Is the creation of a new asset to meet additional service level requirements, e.g. a new building.
Non-current assets	Are assets that have an estimated life of greater than one year. They also include some financial assets that are not expected to be recovered within a year of the reporting date.
Operations	Regular activities of the council e.g. street sweeping, grass mowing, street lighting.
Right Of Use Asset	A right of use asset, or ROU, is a lessee's right to use an asset over the course of a lease.

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Key Term - Acronym	Definition
Renewal or replacement	Of an asset is where a previously existing asset is replaced, or its service life extended, without enhancement of the service capability except where this is incidental and unavoidable. e.g. gravel re-sheeting, reseal, etc.
Residual value	Of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal at the end of its useful life.
Upgrade	Is the enhancement of an existing asset to provide a higher level of service, e.g. sealing an unsealed road.
Useful life	Is defined as the period over which an asset is expected to be available for use by the entity.

5. ROLES & RESPONSIBILITIES:

5.1 Council:

Council is responsible for adopting the policy, allocating resources, and providing high level oversight of the delivery of the Council's asset accounting policy. The Council is also responsible for ensuring that organisational resources are appropriately funded to guarantee adherence with this policy.

5.2 Chief Executive Officer:

The Chief Executive Officer is responsible for resourcing the implementation of the asset accounting policy and supporting procedures.

5.3 General Managers, Asset Managers, Manager Financial Services:

General Managers, Asset Managers and the Manager, Financial Services are responsible for the application of the asset accounting policy and supporting procedures.

5.4 Employees:

Employees are responsible for adhering to the policy.


6. POLICY STATEMENTS:

6.1 This Policy applies the provisions of the Local Government Act 1999 (the Act) Section 124 (Accounting Records to be Kept) regarding Council's Fixed Assets and how financial information pertaining to Fixed Asset transactions and reconciliations are undertaken across all Council operations.

6.2 This Policy underpins how Council treats various categories of transactions recorded on its fixed asset register and fixed asset transactions, culminating in their publication in the annual financial statements required under Section 127 (Financial Statements) of the Act.

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7. POLICY PRINCIPLES

7.1 Depreciation

7.1.1 Recognition of Depreciation Expense:

- **Commencement** - Depreciation expense commences from the time the asset is first put into use or held ready for use. Work-in-progress will not be depreciated until the asset is first put into use or held available for use.
- **Cessation** - Depreciation of an asset ceases when the asset is fully depreciated, or if the asset is determined to be held for sale. Depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.
- **Calculation** - In calculating depreciation on assets, each component of the asset which has a cost that is significant in relation to the total cost of the asset and has a materially different useful life, is to be depreciated separately.
- **Leasehold Improvements** - Where improvements are made to a leasehold property, these improvements will be allocated progressively over the unexpired portion of the lease or the useful lives of the improvements, whichever is the shorter. The unexpired period of the lease should include any options to extend the lease term when the exercise of the option is reasonably certain.
- **Non-Recognition Of Depreciation** - Council does not recognise depreciation on the following:
 - Inventories, as they are current assets;
 - Non-current assets whilst classified as held for sale;
 - Land, works of art, rare books, manuscripts, unique historical and cultural objects where their service potential is not expected to diminish with time or use.

7.2 Impairment:

- An asset is impaired if the amount at which it is recognised in the Council's financial records is greater than its fair value. Council will ensure that the amount at which an asset is capitalised does not exceed its fair value. This will be reviewed on an annual basis and all impairment losses are to be shown in the operating statement as expenditure.

7.3 Depreciation Methodology:

- **Asset Lives** - All assets with a useful life of more than one year, including intangible assets are depreciated over the useful life of the asset in accordance with Accounting Standards.

Asset Useful Lives	
Asset Class	(Years)
<i>Infrastructure:</i>	10 to 150
Sealed Roads	12 to 150
Unsealed Roads	40 to 75
Paving and Footpaths, Kerb & Gutter	10 to 70
Carparks	20 to 60



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Stormwater Drainage	50 to 70
Buildings & Other Structures	10 to 100
Waste Management – Landfill Assets	Capacity in use
Recreation-Heritage Place and Open Space	10 to 50 -100
Plant & Equipment and IT	3 to 25
Artworks & Historical Collections	Indefinite
Other	10 to 15
Right of Use Assets	Life of the lease

- **Depreciation** - Are calculated on a "straight line basis" i.e. the depreciable amount divided by the useful life of the asset.
- **Asset Additions** - Any expenditure that increases the value of the asset, are depreciated over the remaining useful life of the asset to which it relates.
- **Useful Life** - The useful life of an asset will be reviewed at least at the end of each annual reporting period.

7.4 Revaluations

Revaluation Methodology:

- **Asset Valuation** - Council treat the valuation of assets in two ways:
 - Firstly, where an asset is carried at cost and has some useful life after it has been fully depreciated, revaluation of the asset will not occur.
 - Secondly, assets that are carried at fair value will be revalued to ensure assets are not fully depreciated before the end of their useful life.
- **Current Replacement Costs** - Are calculated using Council's own current contract unit rates, industry benchmarks and information supplied by other Councils where available. These costs are independently assessed by an appropriately qualified professional.
- **Condition Audits** - Are undertaken to determine the consumption of the asset and hence its fair value in respect to the replacement cost.

Frequency of Revaluation:

- **Fair Value Assets** - All assets carried at fair value are reviewed annually. To achieve this Council review replacement costs and apply incremental adjustments where material and appropriate for each asset class.
- **Condition Audits** - Are performed as per the asset management plans or where there is a material movement between the carrying value and fair value of the assets.

Revaluations and Accumulated Depreciation:


- **Accumulated Depreciation** - Following a revaluation the accumulated depreciation is restated proportionately to the gross carrying amount of the asset, so that the carrying amount of the asset after revaluation equals its revalued amount. This is a

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requirement to achieve a comparative in the calculation of the asset consumption ratio.

- **Assets Not Subject To Revaluation** - Plant and equipment are recognised at actual cost less accumulated depreciation and any accumulated impairment.

7.5 Capitalisation:

Recognition and Thresholds:

- An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.
- AASB 116 states:

'The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity;

and

(b) the cost of the item can be measured reliably.'

- Council transfer assets to the asset register only when complete.
- Council recognises the capital cost of an asset comprises of:
 - > **Purchase Price** - Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
 - > **Directly Attributable Costs** - Any costs directly attributable to bringing the asset to the location and condition necessary (for example costs of site preparation, installation and assembly) for it to be capable of operating in the manner intended by Council;
 - > **Employee Benefits** - Costs of employee benefits arising directly from the construction or acquisition of the item of property, plant equipment e.g. project management costs;
 - > **Testing** - Costs of testing whether the asset is functioning properly, after deducting net proceeds from selling any items needed to bring the asset to that location and/or condition;
 - > **Demolition/Removal** - Costs associated with the dismantling and/or removal of the asset and restoration or rehabilitation of the site on which it was located; and
 - > **Gifted Assets** - AASB 116 provides for a specific example relating to Local Government entities where an asset may be gifted to Council at no or nominal measurable cost. When this occurs, Council's administration is obliged to recognise the asset at fair value.
- Council will classify all capital expenditure into the following categories:
 - > New / Upgrade; and
 - > Renewal.
- **Threshold** - A capitalisation recognition threshold is applied to each asset type using the concept of materiality. Costs below these thresholds are accordingly treated as an operating expense. No capitalisation threshold will be applied to the acquisition of land, interest in land or the Riddoch art collection.

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Asset Class:	Capital Threshold
<i>Infrastructure:</i>	\$5,000
Road construction and reconstruction	\$5,000
Paving & Footpaths, Kerb & Gutter	\$5,000
Carparks	\$5,000
Stormwater Drainage	\$5,000
Buildings & Structures	\$5,000
Waste Management - Landfill Assets	\$5,000
Park & Playground Furniture & Equipment	\$1,000
Other Recreation-Heritage Place and Open Space	\$5,000
Office Furniture & Equipment-Other (including IT)	\$1,000
Other Plant & Equipment	\$5,000
Right of Use Asset	\$5,000

7.6 Disposal Of Assets:

- **Gain Or Loss** - The difference between any net proceeds from disposal (after deducting selling costs) and the remaining carrying value of an asset will be treated as either a gain or loss in the year the asset is retired or disposed of.
- **Renewal** - Where existing assets are renewed the value of the component of the asset that has been renewed is to be disposed and a new asset created. If the part of the asset disposed of has been retained, its value needs to be recognised in the new asset or separated into a new asset component if its useful life differs materially to the new asset.
- **Further Guidance** - Further guidance and controls over the disposal of assets is provided under Council Policy 'P420 Procurement and Disposal of Land and Assets Policy'.

8. TRAINING / EDUCATION

Relevant staff will be adequately trained and qualified to implement and comply with this policy.


9. REVIEW

This Policy will be reviewed annually; or

- The frequency dictated in legislation; or
- Earlier in the event of changes to legislation or related policies and procedures; or
- If deemed necessary by the Manager, Financial Services.

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10. ACCESS TO THE POLICY

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website www.mountgambier.sa.gov.au. Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

File Reference:	AF18/48
Applicable Legislation:	Local Government Act 1999 Local Government (Financial Management) Regulations 2011
Reference: Strategic Plan – Beyond 2015	Goal 3, Strategic Objective Our Diverse Economy
Related Policies:	A900 Asset Management Policy P420 Procurement and Disposal of Land and Assets Policy B300 Budget Framework Policy
Related Procedures:	

DOCUMENT DETAILS

Responsibility:	General Manager Corporate and Regulatory Services
Version:	3.0
Last revised date:	
Effective date:	16 August 2022
Minute reference:	Council Meeting 16 August 2022 - Item 18.6 Resolution 2022/117
Next review date:	August 2023
<u>Document History</u> First Adopted By Council:	19 April 2022
Reviewed/Amended:	16 August 2022

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6 MEETING CLOSE



**MINUTES OF CITY OF MOUNT GAMBIER
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT
GAMBIER
ON MONDAY, 26 SEPTEMBER 2022 AT 4.45 P.M.**

PRESENT: Mr Paul Duka (Presiding Member), Mayor Lynette Martin (OAM), Cr Sonya Mezinac, Mr Alexander Brown (virtual), Ms Belinda Johnson

IN ATTENDANCE: Samantha Creten (virtual), Kyle Harrison (virtual), Cr Paul Jenner

OFFICERS IN ATTENDANCE:	Acting Chief Executive Officer	- Ms B Cernovskis
	General Manager Corporate and Regulatory Services	- Mr D Barber
	Manager Financial Services	- Mrs J Scoggins
	Executive Administrator	- Mrs A Pasquazzi
	Executive Administrator	- Mrs S Dohnt

1 ACKNOWLEDGEMENT OF COUNTRY

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR FIRST NATIONS PEOPLES HAVE WITH THE LAND.

2 APOLOGY(IES)

Nil

3 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Mayor Lynette Martin

Seconded: Belinda Johnson

That the minutes of the Audit and Risk Committee meeting held on 25 July 2022 and the Special Audit and Risk Committee meeting held on 22 August 2022 be confirmed as an accurate record of the proceedings of the meeting.

CARRIED

4 QUESTIONS WITHOUT NOTICE

Nil



5 REPORTS

5.1 CORRESPONDENCE RECEIVED

COMMITTEE RESOLUTION

Moved: Cr Sonya Mezinec

Seconded: Belinda Johnson

1. That Audit and Risk Committee Report No. AR22/58445 titled 'Correspondence Received' as presented on 26 September 2022 be noted.

CARRIED

5.2 DRAFT 2021/2022 FINANCIAL STATEMENTS

The Presiding Member sought the approval of at least two-thirds of the members present at the meeting to suspend meeting procedures:

Purpose of the Suspension: to discuss Report AR22/60846

Carried by more than two-thirds of the members present at the meeting.

Meeting Procedures were suspended at 4:56 pm

The Presiding Member determined that the period of suspension should be brought to an end;

Carried by more than two-thirds of the members present at the meeting.

The Period of Suspension came to an end and Meeting Procedures resumed at 5:20 pm

COMMITTEE RESOLUTION

Moved: Paul Duka

Seconded: Alexander Brown

1. That Audit and Risk Committee Report No. AR22/60846 titled 'Draft 2021/2022 Financial Statements' as presented on 26 September 2022 be noted.
2. That in accordance with Section 126 (4) (a) of the Local Government Act 1999, the draft annual financial statements of Council for the financial year 2021/2022 have been reviewed and 'they present fairly the state of affairs of the council'.
3. That having been reviewed by the Audit and Risk Committee on 26 September 2022, the Audit Completion Report and Management Representations Letter as attached to Report No. AR22/60846 be noted.

CARRIED



5.3 COMPARISON OF ACTUAL TO BUDGET FOR THE YEAR ENDING 30 JUNE 2022

COMMITTEE RESOLUTION

Moved: Belinda Johnson
Seconded: Cr Sonya Meziniec

1. That Audit and Risk Committee Report No. AR22/60848 titled 'Comparison of Actual to Budget for the year ending 30 June 2022' as presented on 26 September 2022 be noted.
2. That the estimates comparison for the financial year ending 30 June 2022 as contained in Attachment 1 to Report No. AR22/60848 be adopted.

CARRIED

6 MOTIONS WITHOUT NOTICE

Nil

7 MEETING CLOSE

The Meeting closed at 5:24 pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee

.....
PRESIDING MEMBER

