

AGENDA

Audit and Risk Committee Wednesday 5 February 2025



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

Time: 5:30 pm
Date: Wednesday 5 February 2025
Location: Council Chamber - Civic Centre
10 Watson Terrace, Mount Gambier



Sarah Philpott
CHIEF EXECUTIVE OFFICER
31 January 2025

Order of Business

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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 APOLOGIES

Nil

3 CONFIRMATION OF MINUTES

3.1 CONFIRMATION OF MINUTES

RECOMMENDATION

That the minutes of the Audit and Risk Committee Meeting held on 25 November 2024 be confirmed as an accurate record of the proceedings of the meeting.

4 QUESTIONS WITHOUT NOTICE

5 REPORTS

5.1 STRATEGIC RISK REGISTER

Author: Tegan McPherson, Manager of Performance and Capability
Authoriser: Jane Fetherstonhaugh, General Manager Corporate and Regulatory Services

RECOMMENDATION

1. That the Audit and Risk Committee report titled 'Strategic Risk Register' as presented on Wednesday 5 February 2025 be noted.

PURPOSE

The purpose of this report is to provide an update on the work being undertaken to review and update the organisation's Risk Management Framework, Strategic Risk Register and associated regular reporting in accordance with the Risk Management Policy.

TERMS OF REFERENCE

The Audit and Risk Committee reviews and evaluates the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.

RELEVANT LEGISLATION

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.

BACKGROUND / OPTIONS

In accordance with Council’s Risk Management Policy, the Administration is currently reviewing its Strategic Risk Register. To align with this process, an Information/Briefing Session has been scheduled with Elected Members on 25 February 2025 to commence work on formulating the Council’s Risk Appetite and Tolerance levels, which will be incorporated into the Policy and Framework.

These initiatives will result in an update to the Strategic Risk Register and some changes to the bi-monthly strategic risk report presented to the Audit and Risk Committee.

Key changes that are currently being considered include:

- **Review of Current Risk Ratings** – Considering the existing strategic and operational context, as well as the status of treatments and controls.
- **Review of Target Risk Ratings** – Aligning with the Risk Appetite determined by Council.
- **Review of Risk Areas and Consequence Levels** – Ensuring alignment with the Risk Appetite and confirming their continued relevance to strategic risk management.
- **Updates to Terminology and Presentation** – Enhancing consistency and readability of the information presented in regular reporting.
- **Expansion of the Framework to Include Opportunities** – Promoting a balanced approach that not only mitigates potential threats but also identifies and maximises value-creating opportunities for the organisation and community.

With this in mind, a Strategic Risk update and report will be presented to the Audit and Risk Committee at its April 2025 meeting incorporating the outcomes of this work.

DETAILED IMPLICATIONS

Legal	Refer to the section on relevant legislation.
Financial and Budget	N/A
Community Consultation and Engagement	N/A
Other Resources	N/A

RISK ANALYSIS

The risk identification and categorisation relies on the City of Mount Gambier [Risk Management Policy](#).

Risk	Consequence Rating	Risk Likelihood Rating	Risk Rating	Mitigation
Legal / Regulatory / Policy – Council does not effectively review and implement its Risk Management Framework in accordance with its	Moderate (3)	Possible (3)	Moderate	Undertaking this annual review is in accordance with Council’s Risk Management Policy and Framework and

Risk Management Policy.			will ensure our risk management practices continue to evolve with best practice, organisational requirements and the strategic and operational context.
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RELEVANT COUNCIL POLICY

[Risk Management](#)

IMPLEMENTATION, COMMUNICATION AND ENGAGEMENT

An update and report will be presented to the Audit and Risk Committee at the April 2025 Meeting.

CONCLUSION

The Strategic Risk Register and associated reporting is being reviewed in accordance with Risk Management Policy. An update on this work will be presented to the Audit and Risk Committee at the April 2025 Meeting.

ATTACHMENTS

Nil

5.2 WORK HEALTH SAFETY (WHS) AND WELLBEING QUARTERLY REPORT - OCTOBER - DECEMBER 2024

Author: Leanne Little, People and Culture Coordinator
Authoriser: Jane Fetherstonhaugh, General Manager Corporate and Regulatory Services

RECOMMENDATION

1. That the Audit and Risk Committee report titled 'Work Health Safety (WHS) and Wellbeing Quarterly Report - October - December 2024' as presented on Wednesday 5 February 2025 be noted.

PURPOSE

This report is a summary of Councils performance in the area of Workplace Health Safety and Wellbeing. The report also provides an overview of key initiatives underway in this area.

TERMS OF REFERENCE

N/A

RELEVANT LEGISLATION

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 of Conduct for 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)

BACKGROUND / OPTIONS

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.

RELEVANT COUNCIL POLICY

[Risk Management](#)

CONCLUSION

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 and Risk Committee.

ATTACHMENTS

1. Work Health Safety WHS and Wellbeing Quarterly Report [5.2.1 - 20 pages]

Corporate & Regulatory Services – Performance and
Capability Team

**Work Health Safety, Injury Management
& Wellbeing**

Detailed Quarterly Report

October 2024 – December 2024



City of
Mount Gambier



SUMMARY

This report provides a detailed assessment of current state for safety compliance and performance at City of Mount Gambier (COMG).

Increased capability of use within the Skytrust Safety Management Systems through the WHS Field Partner project has been critical in driving continuous improvement within this space.

The organisation continues to show increased capability within Safety Management Systems and automation of Safety processes.

The iServices Business Systems unlocking project will be fundamental for the ongoing improvement and development of devices for all staff in all locations.

Improved reporting, monitoring and accountability processes have commenced implementation in early 2024 with the organisational safety maturity increasing

Assessment against industry trends, partnerships with external advisors, and identification of internal capability opportunities will also form part of shared Work Health Safety responsibility across the organisation.

CURRENT FOCUS AREAS:

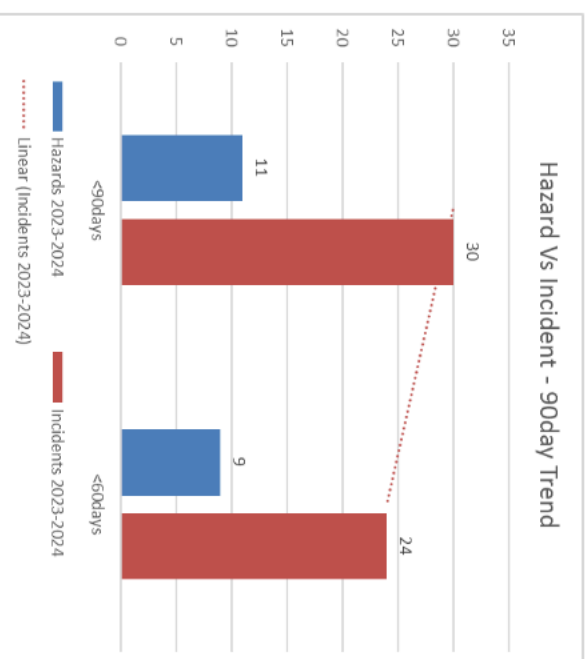
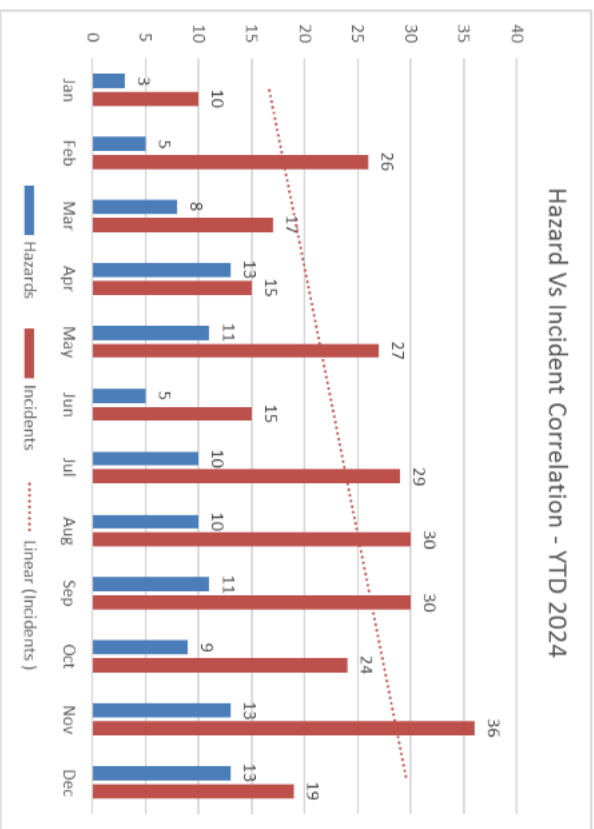
- Continue development of WHS Strategic Plan supported by the PPR Program.
- WHS Field Partner Project - Ongoing training and development of Infrastructure Team.
- Return To Work Training On Demand developed in ELMO – People Leaders.
- Improved Accountability Reporting.
- Development of CAPA for Hazardous Manual Task Evaluation.
- Industry Trends Analysis.
- Analysis of organisations wellbeing program and its effectiveness.

NOTIFIABLE INCIDENTS

There were zero Notifiable Incidents reported to Safe work SA for the period of September 2024 December 2024



Hazard and Incident Correlation





Hazard Management

Total Hazard Reports – Yearly Comparison

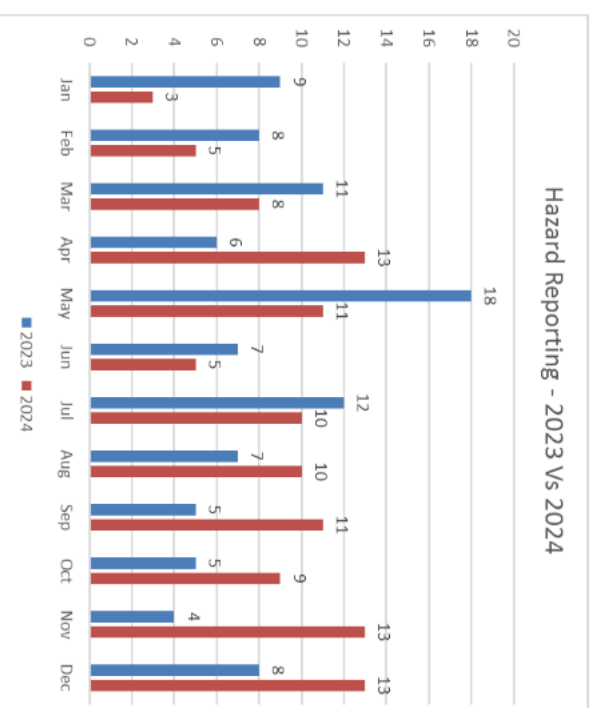
This graph demonstrates the yearly comparison of the Organisational hazard reporting for each month compared to the same month in the previous year.

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

- There was a total of thirty-five (35) hazards reported for the October 2024 – December 2024 period.
- This compares to seventeen (17) hazards reported for the same period in 2023.

This data indicates an increase in reporting trends for the October 2024 – December 2024 period compared to the same period last year.

This will be communicated through toolbox meetings for follow up throughout the organisation to ensure hazard reporting continues to be effective.



Hazard Management



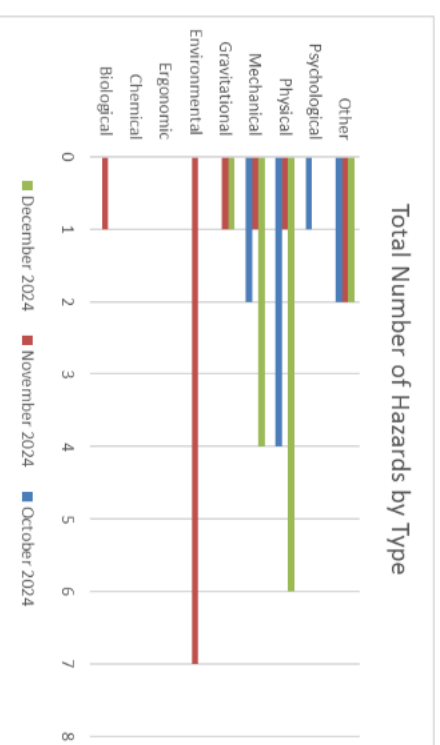
Hazards by Type

This graph demonstrates the hazards by type for each month.

This data assists with providing management an analysis of seasonal hazard trends which may occur across the organisation or identifying where new categories of hazards are trending across the organisation.

Additional analysis is placed on those hazards being put through as 'other' and specifically looking for areas of improvement opportunities.

- Addition of community support information for staff to assist homeless individuals
- Specific monitoring of psychological hazards and development of Psychosocial Management Policy to meet legislative changes.



- **'Other' Hazards**
 Hazards reported in the 'other' category have related largely due to behavioural incidents in the surrounding areas of the sites rather than at the actual sites. Staff have raised as hazards as can potentially impact on the staff or MOP

Hazard Management



Detailed Hazards by Department

Detailed reporting of Hazards by Department and type for the period of October 2024-December 2024

Business Unit	ID	Originate Date	Department	Type
City Infrastructure	568	20/11/2024	Waste Transfer Station/Reuse Market	Environmental - Workplace Terrain
City Infrastructure	554	14/10/2024	Construction & Maintenance	Mechanical - Struck by Objects (Impact)
City Infrastructure	570	21/11/2024	Construction & Maintenance	Environmental - Insects /Vermis
City Infrastructure	566	18/11/2024	Parks and Gardens	Environmental - Hot / Cold Working Environment
City Infrastructure	584	27/12/2024	Building and Asset Maintenance	Other
City Infrastructure	576	5/12/2024	Building and Asset Maintenance	Gravitational - Falling Objects
City Infrastructure	580	12/12/2024	Building and Asset Maintenance	Physical - Burn
City Infrastructure	577	5/12/2024	Building and Asset Maintenance	Physical - Fire /Explosion
Corporate and Regulatory Services	561	7/11/2024	IServices / Records	Environmental - Insects /Vermis
Corporate and Regulatory Services	562	11/11/2024	Development Services - Planning and Building	Environmental - Insects /Vermis
Corporate and Regulatory Services	559	26/10/2024	General Inspectorate	Psychological - Threatening Behaviours
People, Place and Liveability	571	22/11/2024	Library Operations	Other
People, Place and Liveability	572	28/11/2024	Library Operations	Mechanical - Cutting /Stabbing /Puncturing
People, Place and Liveability	551	21/10/2024	Library Operations	Physical - Housekeeping
People, Place and Liveability	555	15/10/2024	Library Operations	Physical - Housekeeping
People, Place and Liveability	556	22/10/2024	Library Operations	Physical - Housekeeping
People, Place and Liveability	557	23/10/2024	Library Operations	Other
People, Place and Liveability	558	25/10/2024	Library Operations	Other
People, Place and Liveability	567	8/11/2024	Library Operations	Physical - Housekeeping
People, Place and Liveability	569	20/11/2024	Library Operations	Biological - BodilySecretion Disease/Virus
People, Place and Liveability	585	30/12/2024	Children & Youth Services	Mechanical - Noise
People, Place and Liveability	581	12/12/2024	Children & Youth Services	Mechanical - Noise
People, Place and Liveability	578	10/12/2024	Children & Youth Services	Mechanical - Noise
People, Place and Liveability	579	10/12/2024	Children & Youth Services	Mechanical - Noise
People, Place and Liveability	563	13/11/2024	RACC	Other
People, Place and Liveability	564	13/11/2024	RACC	Environmental - Hot / Cold Working Environment
People, Place and Liveability	565	13/11/2024	RACC	Environmental - Hot / Cold Working Environment
People, Place and Liveability	552	21/10/2024	RACC	Mechanical - Heat
People, Place and Liveability	553	21/10/2024	RACC	Physical - Lighting
People, Place and Liveability	573	3/12/2024	Tourism	Physical - Lighting
People, Place and Liveability	574	3/12/2024	Tourism	Physical - Lighting
People, Place and Liveability	560	1/11/2024	Visitor Services Team	Gravitational - Slip /Trip /Fall
People, Place and Liveability	575	3/12/2024	Visitor Services Team	Physical - Lighting
People, Place and Liveability	582	17/12/2024	Visitor Services Team	Other
People, Place and Liveability	583	21/12/2024	Visitor Services Team	Physical - Lighting

Hazard Management



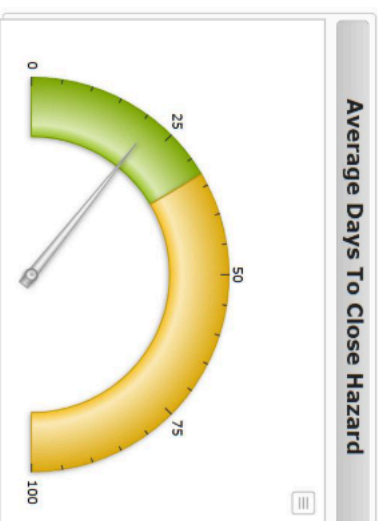
Effective Hazard Management

The total amount of hazards outstanding as at the 31 December 2024 is one hundred and forty-four (144). This has **increased** from one hundred and thirty-eight (138) in the previous reporting period.

The total percentage of hazards closed for the period of October 2024 to December 2024 is 54.29%

This represents an **increase** in closure rate of previous period being 16.13%

The average days taken to assess and close a hazard in the months of October 2024 to December 2024 period is 21.47 days. This is an **increase** from the previous reporting period which was 17.8 days.



Hazard Trending

This table assists with identifying hazard management trends

- Total Outstanding Hazards is increasing
- % of Hazards closed out is decreasing
- The organisation is taking longer to close hazards

Reporting Quarter	Number Hazards Outstanding	% of Hazards Closed Out	Average Days to Close Hazard
October 2024 – December 2024	144	54.29%	21.47 Days
July 2024 – September 2024	138	16.13%	17.8 Days
April 2024 – June 2024	126	20.69%	24.33 Days
January 2024 – March 2024	129	37.50%	6.22 Days

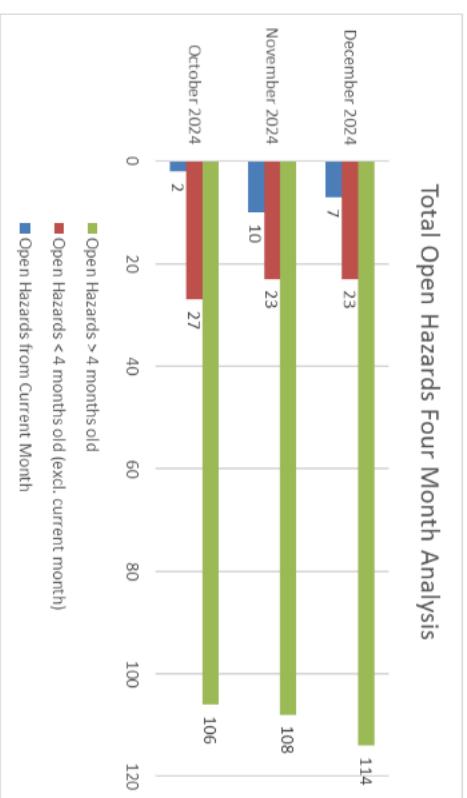
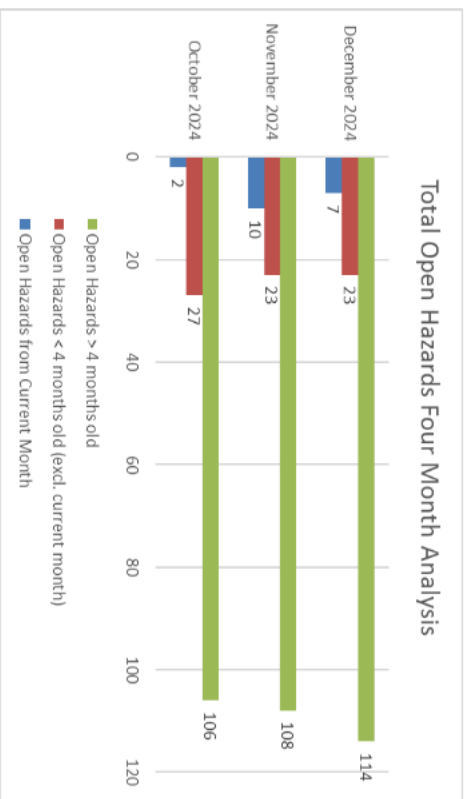
Hazard Management



Closure Rate by Four Month Analysis

- The total amount of open hazards that were greater than four (4) months age is **one hundred and fourteen (114)**, which represents **seventy-nine percent (79)** of the total open hazards.
- The total number of open hazards that are less than four (4) months old is **twenty-three (23)** which represents **sixteen (16)** percent of the total closed hazards
- The total number of hazards closed out within the current month is **seven (7)** which represents **five (5)** percent of the total hazards closed.

The linear trend is indicating a **increase** on the four-month analysis for the total number of hazards open greater than four (4) months has slightly increased with the number currently **one-hundred and forty-four** compared to **one hundred and thirty-eight (138)** at the end of the last reporting period.





Incident and Investigation Management

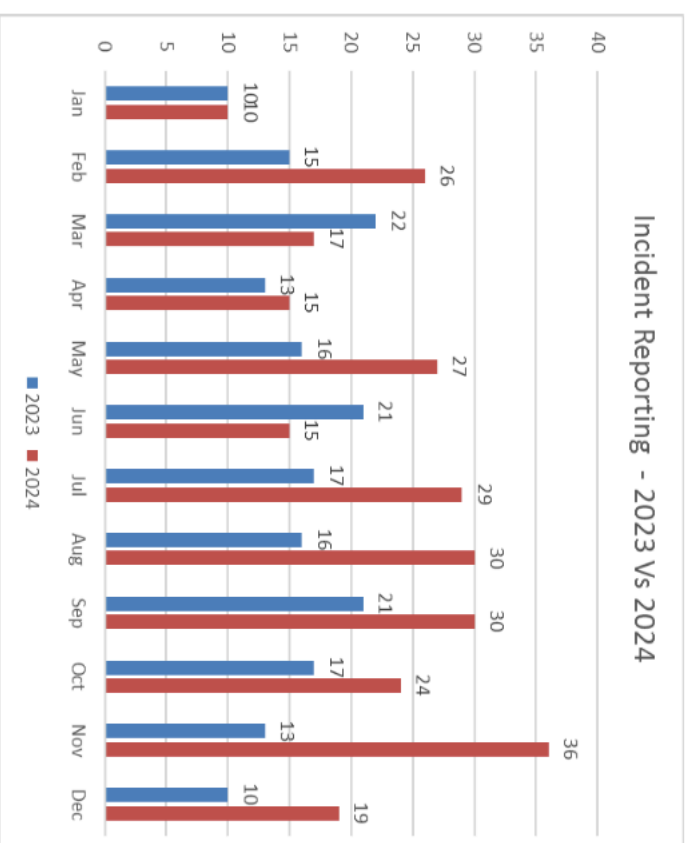
Incident Reporting

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

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

- There was a total of seventy-nine (79) incidents reported during the October 2024 – December 2024 period.
- This compares to forty (40) incidents for the same period in the year 2023.

This indicates an improvement in the number of incidents being reported.

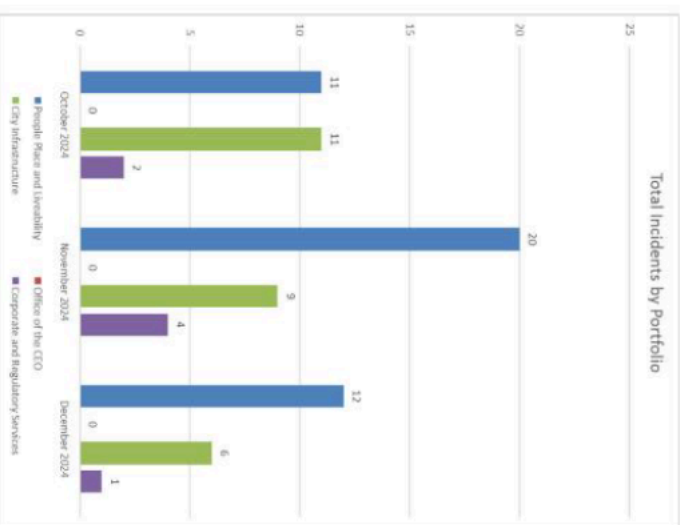


Incident and Investigation Management



Incidents By Portfolio

This graph demonstrates the Incidents by portfolio for the reporting period October 2024 – December 2024.



Incidents By Type

This graph demonstrates the incidents by type for the reporting period October – December 2024

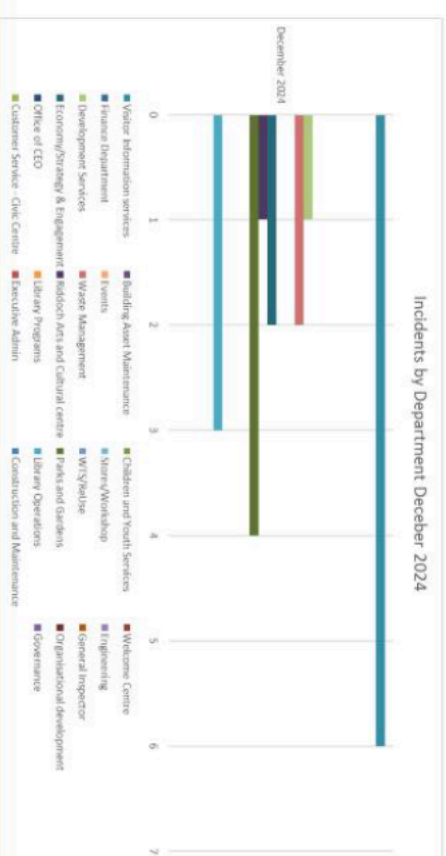
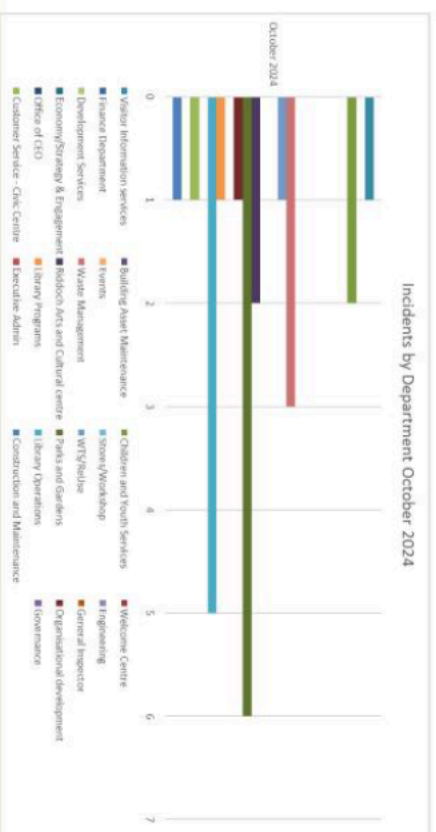
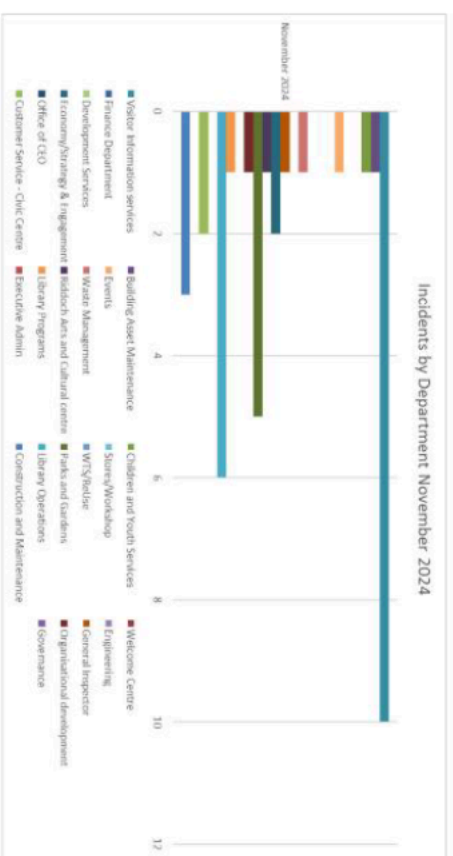
Behavioural incidents at community facing departments continue to be cause of concern. An increase in property damage is currently being investigated.

Incident Type	October 2024	November 2024	December 2024
Near Miss	2	4	0
Notifiable	0	0	0
Injury Employee or Volunteer	4	2	4
Injury Member of Public	3	1	0
Communication	4	3	0
Property Damage	4	4	6
Environmental Impact	1	0	0
Other (inc Behavioural)	6	18	8
Report only	0	0	0
Security	0	4	1
Hazard Raised from Incident	0	0	0

Incident and Investigation Management

Incidents By Department and Month

This graph demonstrates the incidents by department for each month, October, November and December 2024.



Investigation Management

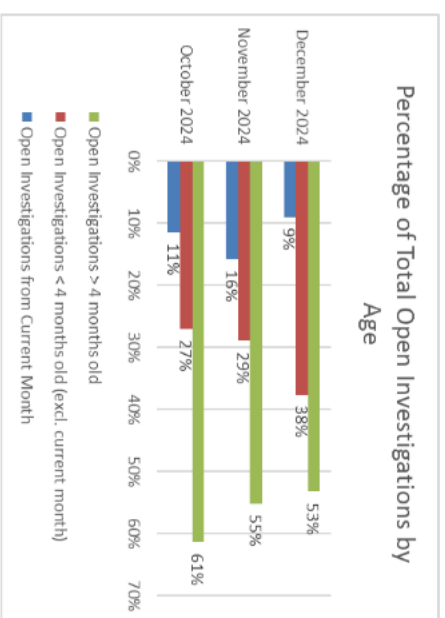
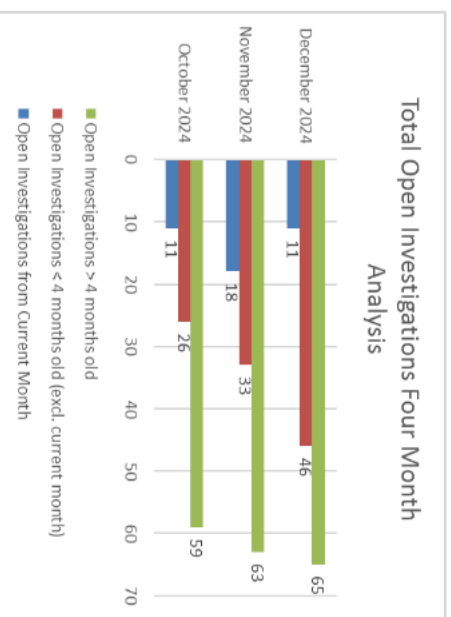


Closure Rate by Four Month Analysis

- The total amount of open investigations that are greater than four (4) months age is **sixty-five (65)** which represents **fifty-three percent (53)** of the total open investigations.
- The total number of open investigations that are less than four (4) months old is **forty-six (46)** which represents **thirty-eight percent (38)** of the total open investigations.
- The total number of open investigations for the current month is **eleven (11)** which represents **nine percent (9)** of the total open investigations.

The linear trend is upward which indicates the investigations are taking longer to close out and the number of investigations open greater the four months is consistent with previous reports.

The four-month analysis indicates the total number of investigations open greater than four (4) months has increased and is currently **sixty-five (65)** compared to **forty-eight (48)** at the end of the previous reporting period.



Investigation Management



Open and Overdue Investigations by Department

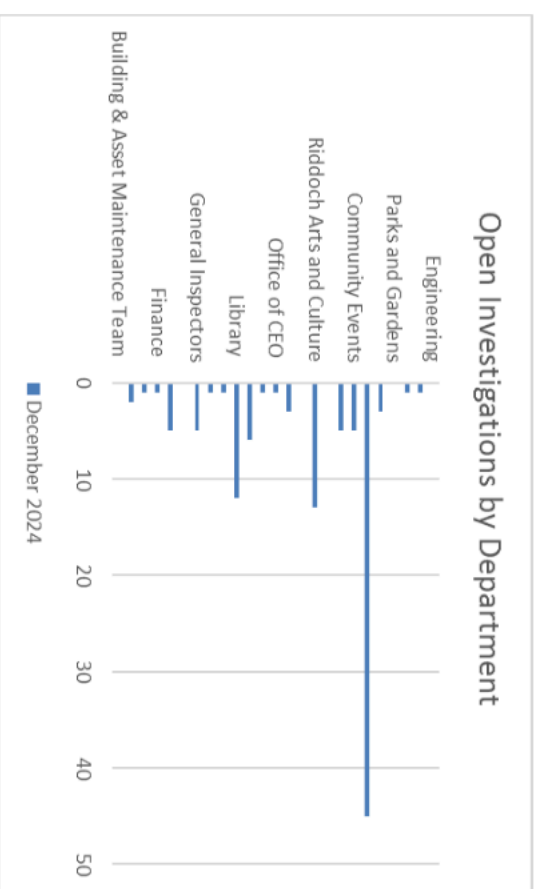
This graph demonstrates the overdue investigations by department which is a drilled down level from portfolio.

The aim of this level in reporting is to identify any training opportunities for investigation management, OR to highlight where there is a long-term investigation that may require additional assistance by collaborating with other departments or industry experts in the relevant field.

This level of reporting will now be a standing agenda item at the Monthly Management Team meeting to ensure departments are focusing on WHS management and to demonstrate accountability of people Leaders as recommended by external audit and observation reviews by Local Government Workers Compensation Scheme.

Top Ten Oldest Open Investigations by Department

1141	5/01/2024	Library Team- All Library Staff
1140	6/01/2024	Library Team- All Library Staff
1145	16/01/2024	Library Team- All Library Staff
1147	23/01/2024	Executive Administration
1152	2/02/2024	Visitor Services Team
1155	4/02/2024	Library Team- All Library Staff
1154	6/02/2024	Visitor Services Team
1158	10/02/2024	Visitor Services Team
1159	12/02/2024	Community & Events Team
1166	16/02/2024	General Inspectorate



Corrective Action Management



Business Unit	ID	Added Date	Action Type	Details	Due Date	Completed Date	Status	Source	Source ID	Responsible Person	Responsible Organisation
City of Mount Gambier	721993	1/11/2024	Corrective	3.A Develop a guideline for entering training courses in the TNA in Skytrust	28/02/2025		New	Hazard Manual			Developmental
City of Mount Gambier	721994	1/11/2024	Corrective	the existing training courses in the TNA to 3.A Identify all the training required for workers	31/03/2025		New	Hazard Manual			Developmental
City of Mount Gambier	721996	1/11/2024	Corrective	3.A Document all of the identified training on the TNA in Skytrust (data entry 5.B Review, and tailor to Council's needs, the ELMO Personal Protective	31/08/2025		New	Hazard Manual			Developmental
City of Mount Gambier	722000	1/11/2024	Corrective	5.B Review, and tailor to Council's needs, the ELMO Personal Protective	31/08/2025		New	Hazard Manual			Developmental
City of Mount Gambier	722004	1/11/2024	Corrective	1.A, 2.B, 2.C Review and update the Hazardous Manual Tasks Procedure	31/03/2025		New	Hazard Manual			Developmental
City of Mount Gambier	721922	1/11/2024	Corrective	2.B Develop training in how to effectively complete a Risk Assessment in 2.B Develop and	30/06/2025		New	Hazard Manual			Developmental
City of Mount Gambier	721974	1/11/2024	Corrective	Risk Assessment in 2.B Develop and	31/01/2025		New	Hazard Manual			Developmental
City of Mount Gambier	721978	1/11/2024	Corrective	Implement a prioritised risk assessment review	31/01/2025		New	Hazard Manual			Developmental
City of Mount Gambier	721981	1/11/2024	Corrective	2.B, 5.B Review task risk assessments as per the developed risk assessment	30/11/2026		New	Hazard Manual			Developmental
City of Mount Gambier	721987	1/11/2024	Corrective	2.C Develop training in the requirements of the HMT Procedure for	31/10/2025		New	Hazard Manual			Developmental
City of Mount Gambier	722101	1/11/2024	Corrective	5.B Identify options for early intervention strategies for MSDs and 7.B Review and update the WHS Internal Audit	31/12/2026		New	Hazard Manual			Developmental
City of Mount Gambier	722102	1/11/2024	Corrective	Procedure	31/12/2024		Not Complete (Overdue)	Hazard Manual			Developmental
City of Mount Gambier	722100	1/11/2024	Corrective	5.D Report on the completion of the Worksite Safety Inspections to the	31/12/2024		Not Complete (Overdue)	Hazard Manual			Developmental

Corrective Action Management



City of Mount Gambier	721988	1/11/2024	Corrective	Z/D determine the viability of the Infrastructure WHS Sub-committee	31/12/2024		Not Complete (Overdue)	Hazard Manual			Organisational Development
City of Mount Gambier	721982	1/11/2024	Corrective	WHS Officer Job Description to include the Z/D review and update the Infrastructure WHS Sub-committee terms of reference	30/11/2024		Not Complete (Overdue)	Hazard Manual			Organisational Development
City of Mount Gambier	721989	1/11/2024	Corrective	S/D develop a worksite safety inspection and schedule in Skyrust to coordinate over tour	31/10/2024	5/11/2024	Responsible Person Complete	Hazard Manual			Stores/Workshop
City of Mount Gambier	722099	1/11/2024	Corrective	Safety inspection and schedule in Skyrust to coordinate over tour	31/10/2024	5/11/2024	Responsible Person Complete	Hazard Manual			Stores/Workshop
City of Mount Gambier	719793	22/10/2024	Corrective	Institute and Old Town FORT staff acted as floor wardens and followed instructions well.	30/11/2024		Not Complete (Overdue)	Completion Inspector	99429		RACC
City of Mount Gambier	719792	22/10/2024	Corrective	Asg-rac confirmed Space Procedure	30/11/2024	2/12/2024	Responsible Person Complete	Completion Inspector	99429		Organisational Development
City of Mount Gambier	600294	13/10/2023	Corrective	Committee endorsed Health & Safety Champion poster for site need to be updated to remove staff no	27/10/2023		Not Complete (Overdue)	WHS - Commitment			Organisational Development
City of Mount Gambier	555732	24/05/2023	Corrective	updated to remove staff no WHS Committee Meeting Action - Storage in Library -	31/08/2023		Not Complete (Overdue)	Inspection Item	33495		Organisational Development
City of Mount Gambier	550804	11/05/2023	Corrective	To report on solution EPC Committee Meeting Action - Chris Clements, to	10/06/2023		Not Complete (Overdue)	WHS - Commitment			Organisational Development
City of Mount Gambier	550840	11/05/2023	Corrective	Action - Chris Clements, to complete Chief Warden EPC Committee Meeting	10/07/2023		Not Complete (Overdue)	WHS - Commitment			RACC
City of Mount Gambier	550841	11/05/2023	Corrective	due last completed EPC Committee Meeting	10/07/2023		Not Complete (Overdue)	WHS - Commitment			RACC
City of Mount Gambier	550829	11/05/2023	Corrective	Action - Collection Management Riddoch - EPC Committee Meeting	10/07/2023		Not Complete (Overdue)	WHS - Commitment			RACC
City of Mount Gambier	550836	11/05/2023	Corrective	Action - Emergency Planning Committee to WHS Committee Meeting	10/07/2023		Not Complete (Overdue)	WHS - Commitment			Customer Service Team - Visitor Services
City of Mount Gambier	550803	11/05/2023	Corrective	Action - To report back with a solution/update with the	10/06/2023		Not Complete (Overdue)	WHS - Commitment			Visitor Services Team

Corrective Action Management



City of Mount Gambier	550830	11/05/2023	Corrective	EPC Committee Meeting Action - WTS/ Re-Use Market - Concerns raised	10/07/2023		Not Complete (Overdue)	Other - EPC Commit			Organisational Develop
City of Mount Gambier	550839	11/05/2023	Corrective	EPC Committee Meeting Action - Emergency Plans ensure first aid kits are	10/07/2023		Not Complete (Overdue)	Other - EPC Commit			Organisational Develop
City of Mount Gambier	550809	11/05/2023	Corrective	WHS Committee Meeting Action - HR to investigate organising a disability	10/06/2023		Not Complete (Overdue)	Other - WHS Commit			Organisational Develop
City of Mount Gambier	550821	11/05/2023	Corrective	WHS Committee Meeting Action - WHS Principles and Procedure Review -	10/06/2023	14/11/2023	Responsible Person Complete	Other - WHS Commit			Organisational Develop
City of Mount Gambier	550823	11/05/2023	Corrective	WHS Committee Meeting Action - WHS Principles and Procedure Review -	10/06/2023	14/11/2023	Responsible Person Complete	Other - WHS Commit			Organisational Develop
City of Mount Gambier	550824	11/05/2023	Corrective	WHS Committee Meeting Action - WHS Principles and Procedure Review - Hot	10/06/2023	21/10/2024	Responsible Person Complete	Other - WHS Commit			Organisational Develop
City of Mount Gambier	550825	11/05/2023	Corrective	WHS Committee Meeting Action - WHS Principles and Procedure Review -	10/06/2023	21/10/2024	Responsible Person Complete	Other - WHS Commit			Organisational Develop

Preventative Action Management



Business Unit	ID	Added Date	Action Type	Details	Due Date	Completed Date	Status	Source	Source ID	Responsible Person	Responsible Organisation
City of Mount Gambier	721971	1/11/2024	Preventative	I.A., 7A Update the IM & WHS Quarterly Report template to include: Investigate contact officer available training and associated costs	31/12/2024		Not Complete (Overdue)	Other - Hazard Manual		Leanne Little	Developmental Organisation
City of Mount Gambier	573769	25/07/2023	Preventative	Training Plan required for budget - HR to review	23/09/2023		Not Complete (Overdue)	WHS - Commitment		Leanne Little	Developmental Organisation
City of Mount Gambier	545767	28/04/2023	Preventative	training plan and define	25/10/2023	27/10/2023	Responsible Complete	WHS Commitment		Human (HR) Resources	Developmental Organisation

Injury Management



Lost Time Injury Frequency Rate (LTIFR)

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.

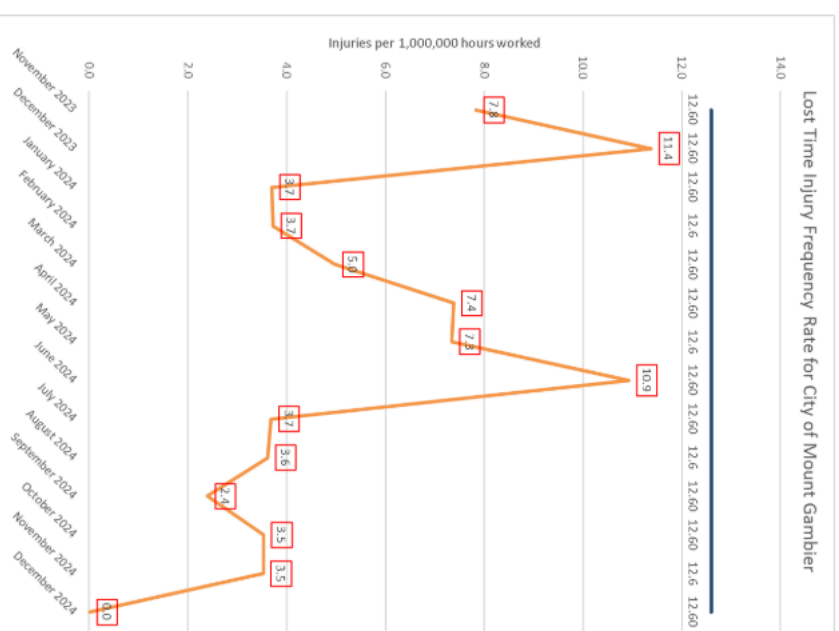
LTIFR calculations measure the number of lost-time injuries per million hours worked during an accounting period. It is a figure that can be benchmarked with others in the industry.

- The Lost Time Injury Frequency Rate (LTIFR) industry benchmark determined by Safework SA for Local Government Administration is 12.0 and for Local Government Field Staff is 12.6.

The graph provides a comparison for the City of Mount Gambier against the industry benchmark for the last four months using the Field Staff benchmark.

For the months of October, November and December 2024 the City of Mount Gambier lost time injury rates has significantly decreased. This is directly attributed to the closure of work cover claims injuries and illnesses.

NOTE – This information includes lost time hours for claims that are yet to be determined by Workcover.



Workplace Emergency and Evacuation Program



Legislative requirements for employers or a person conducting a business or undertaking (PCBU) to prepare and maintain a workplace emergency plan.

The organisation through regular audits, hazard reporting and through the Work health Safety and Risk Management Action Plan, audit and evaluation process, has identified Workplace Emergency Plans to be modified, reviewed and or new plans developed.

Some of these tasks can be completed in house whilst other tasks require the engagement of specialised strategic risk consultants available to the organisation through Local Government Risk Services (LGRS)

The following work has been identified to be completed.

Plans must comply with Australian quality standards AS3745:2010

Site	Detail	Support	Expected Completion
Englebrecht Cave site	Develop workplace Emergency Evacuation Diagrams	Internal Staff (WHS Team Building Maintenance & Site staff)	Completed
Old Town Hall	Develop Workplace Emergency Management Plan (WEEP) including assessment against incidents against code AS1851:2012.	Internal Staff (WHS Team, Building Maintenance & Site staff)	Completed
Institute Building	Develop Workplace Emergency Management Plan (WEEP) including assessment against incidents against code AS1851:2012.	Internal Staff (WHS Team, Building Maintenance & Site staff)	Completed
Englebrecht Cave site	Develop Workplace Emergency Management Plan (WEEP) including assessment against incidents against code AS1851:2012.	Internal Staff (WHS Team, Building Maintenance & Site staff)	Completed
Umpherston Sinkhole	Develop Workplace Emergency Management Plan (WEEP) including assessment against incidents against code AS1851:2012. Develop workplace Emergency Evacuation Diagrams.	Internal Staff (WHS Team, Building Maintenance & Site staff)	Completed



Continuous Improvement, Projects and Plans

Communication and Key Focus Areas

- Remind People Leaders to reiterate to their teams the overall importance of reporting safety matters from a preventative and continuous improvement point of view.
- Focus on hazard reporting in high-risk areas
- Remind People Leader of their responsibility to review or investigate hazard and incident reports in a timely manner and tidy up those that are still open and provide feedback to those who have reported. Using the toolbox meeting platforms is a great way to provide this structured feedback.
- Focus on development of Management Team reporting to assist with accountability.
- Continue with contributing to the improved **"Safety Always"** Culture.
- Hazardous Procedures Observation Corrective Actions Local Government Risk Services – HR Team allocated responsibilities and timeframes, and these will be entered within the CAPA.
- Development of Planned Program Review (PPR) in conjunction with Local Government Risk services – HR will make recommendations for timelines and project leads.
- Development of Internal Audit Program for Work Health Safety Management Systems.
- Development of 12 monthly WHS and IM Action report.

5.3 BUDGET FRAMEWORK POLICY B300

Author: Kahli Rolton, Manager Financial Services
Authoriser: Jane Fetherstonhaugh, General Manager Corporate and Regulatory Services

RECOMMENDATION

1. That the Audit and Risk Committee report titled 'Budget Framework Policy B300' as presented on Wednesday 5 February 2025 be noted.
2. That having been reviewed by the Audit and Risk Committee on 5 February 2025, the reviewed and amended Budget Policy be endorsed.
3. That the Chief Executive Officer or Delegate be authorised to make any necessary changes to the Terms of Reference arising from this meeting, together with any typographical corrections, amendments to position or organisation titles, and finalisation of the document's formatting that do not materially alter the integrity of the document.

PURPOSE

To present the Budget Policy which is recommended for amendment and adoption for the Audit and Risk Committee's endorsement and information prior to presenting to Council for adoption.

TERMS OF REFERENCE

Part 1.3 of the relevant Terms of Reference sets out the functions of the Committee, in particular:

"The functions of the Audit and Risk Committee include, per the Local Government Act 1999, Division 2, Section 126 (4):

(h) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis."

Any policies or procedures falling within the ambit of the above provision, or as otherwise required, are presented to the Committee for endorsement and information prior to being presented to Council for adoption.

RELEVANT LEGISLATION

Section 126 (1a) of the Local Government Act 1999 (the Act) states that the purpose of an audit and risk committee established by a council (the Committee) is to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters.

BACKGROUND / OPTIONS

Council periodically reviews its policies and procedures during each Council term, unless legislative provisions require otherwise, to ensure they remain up to date with legislative, administrative or civic requirements, Council and community expectation and emerging practices in the sector.

Amendments made to the proposed draft Budget Policy include:

- **Title:** Removing "Framework" from the title. Council staff have started drafting a high level administrative document, Integrated Reporting and Budget Framework. To avoid confusion, removal of framework is recommended.

- **Carryforwards:** To increase the robustness of the Policy, a section on when carryforwards will be allowed and when they will not has been included.
- **Roles and Responsibilities:** To ensure that Council receives the best input of significant stakeholders, roles and responsibilities have been expanded which will assist with accountability.

Further amendments have been made to assist simplification for readers and those with specific roles and responsibilities.

DETAILED IMPLICATIONS

Legal	The Local Government Act 1999 and other Acts require Council to adopt certain 'mandatory' policies. Except where prescribed there is no legislative requirement to review policies with any particular frequency or time period, however it is practically necessary and a common sector practice. Council has resolved to review each policy at least once during the Council term (i.e. during the period November 2022 to November 2026). Noting policies should be reviewed prior to the election caretaker period commencing in August / September 2026.
Financial and Budget	Whilst this policy review is about the budget, there are no immediate financial implications arising from the amendments.
Community Consultation and Engagement	N/A
Other Resources	N/A

RISK ANALYSIS

The risk identification and categorisation relies on the City of Mount Gambier [Risk Management Policy](#).

Risk	Consequence Rating	Risk Likelihood Rating	Risk Rating	Mitigation
Finance – Policies are not reviewed on regularly and result in increased financial impact.	Insignificant (1)	Rare (1)	Low	Audit & Risk Committee oversight of policies / procedures relating to governance, finance and risk.
Reputation – Loss in trust and transparency from Community if good governance over Policies is not prioritised and maintained.	Minor (2)	Unlikely (2)	Low	Regular reporting on Policy review schedule to maintain accountability and transparency for the community.
Legal / Regulatory / Policy - Policies are not reviewed regularly and do not reflect changes in legislations or organisational practices	Major (4)	Rare (1)	Moderate	Audit & Risk Committee oversight of policies / procedures relating to governance, finance and risk.

RELEVANT COUNCIL POLICY

[Budget Framework - B300](#)

IMPLEMENTATION, COMMUNICATION AND ENGAGEMENT

The updated Budget Policy is intended to be managed in accordance with the review schedule framework already in place / operation.
Further, it's review is timely as Council staff embark on the preparation of the F2025/2026

CONCLUSION

That having been reviewed by the Audit and Risk Committee on 5 February 2025, the reviewed and amended Budget Policy be endorsed.

ATTACHMENTS

1. DRAFT Council Policy B 300 - Budget Policy (previously Budget Framework Policy)
[5.3.1 - 8 pages]

 City of Mount Gambier	B300 BUDGET FRAMEWORK POLICY	Version No:	76.0
		Issued:	November 2024/February 2025
		Next Review:	November February 20296

1. INTRODUCTION

This policy outlines the procedures, responsibilities, and principles for the preparation, review, and management of the City of Mount Gambier’s annual budget. It aims to ensure that the budget aligns with the Council’s strategic objectives, provides financial sustainability, and adheres to the statutory requirements outlined in the **Local Government Act 1999**.

This document sets out the policy of the City of Mount Gambier (“Council”) for the preparation, review and report on its budget every financial year.

2. SCOPE:

This policy applies to all Council Members and employees involved in the budgeting process for the City of Mount Gambier. It covers both operating and capital budgets and applies to the preparation, approval, execution of the budget and subsequent reviews.

This Policy is applicable to all employees and Council Members and covers the annual budget requirements for City of Mount Gambier Council.

3. PURPOSE:

The purpose of this policy is to:

- Ensure compliance with the **Local Government Act 1999**.
- Provide a structure for the annual business plan and budget preparation, adoption and review(s).
- Ensure financial sustainability and transparency in budget decisions/adoptions including alignment to asset management plans and long term financial plans.

The Local Government Act 1999 prescribes that a council must adopt for each financial year. An annual business plan; and A budget.

This policy endorses these requirements to ensure compliance with the Act.

The purpose of this policy is to provide a framework for Council and Management in relation to the preparation, consideration, adoption and review of the Annual Budget / Business Plan in compliance with the Local Government Act.

4. DEFINITIONS:

Key Term – Acronym	Definition
<u>‘Approved Budget’</u>	<u>Adopted capital budget adjusted for year-end carry forwards.</u>
<u>Asset renewal funding ratio</u>	<u>This ratio indicates whether council’s capital expenditure on asset renewal/replacement of existing assets is what is needed to cost effectively maintain service levels as</u>
<u>Asset Renewals</u>	<u>Is the amount of money Council will invest in Capital maintenance programs for renewal and replacement to prevent costly deterioration of infrastructure and maintaining an</u>

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Key Term – Acronym	Definition
<u>Capital Budget</u>	<u>Is the amount of money Council will invest in the creation of new assets or renewal/upgrade of existing assets.</u>
<u>Executive Leadership Team (ELT)</u>	<u>The Executive group of Council including the Chief Executive Officer, and General Managers.</u>
<u>Key Financial Indicators (KFIs)</u>	<u>Financial ratios used to assess financial performance and include: Operating Surplus Ratio Asset Renewal Ratio Net Financial Liabilities Ratio</u>
Model Financial Statements	Prescription endorsed in the Local Government Act regarding presentation of the annual financial statements, budget and long term financial plan.
Operating surplus ratio	This ratio expresses the operating surplus (operating revenues less operating expenses) as a percentage of operating revenue.
Asset renewal funding ratio	This ratio indicates whether council's capital expenditure on asset renewal/replacement of existing assets is what is needed to cost effectively maintain service levels as prescribed in Council's adopted Asset Management Plans.
Net financial liabilities ratio	This ratio indicates the extent to which the net financial liabilities or council's indebtedness can be met by councils total operating revenues.
<u>New & Upgraded Capital</u>	<u>Assets that are added to Council's existing complement or where an existing asset is replaced with an asset that provides additional capabilities or services. Expected funding source is capital grants and contributions, sale of surplus assets and or borrowings.</u>
'Approved Budget'	Adopted capital budget adjusted for year-end carry forwards.
Operating Budget	Identifies the amount of money Council will receive in income and spend on expenses in the course of its normal operating (non-capital) activities. The operating budget includes items such as rates, user charges, specific operating grant revenue, salaries and wages, utility and administrative costs.
<u>Operating surplus ratio</u>	<u>This ratio expresses the operating surplus (operating revenues less operating expenses) as a percentage of operating revenue.</u>
Capital Budget	Is the amount of money Council will invest in the creation of new assets or renewal/upgrade of our current assets. Associated revenue can include grant revenue supporting the delivery of capital projects or developer contributions.

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Key Term – Acronym	Definition
Asset Renewals	Is the amount of money Council will invest in Capital maintenance programs for renewal and replacement to prevent costly deterioration of infrastructure and maintaining an adequate level of investment on existing assets to maintain satisfactory levels of service on an annual average basis. Aligned with asset management plans.
New & Upgraded Capital	Assets that are added to Council's existing complement or where an existing asset is replaced with an asset that provides additional capabilities or services. Expected funding source is capital grants and contributions, sale of surplus assets and/or borrowings.
Executive Management Team (EMT)	The Executive group of Council including the Chief Executive Officer, and General Managers.

5. ROLES & RESPONSIBILITIES

Council:

~~Council's role in the budget process is strategic and focuses on high-level financial performance and the achievement of the Council's strategic objectives including:~~

- ~~• Approval of this Policy:~~
- ~~• Is responsible for approving the policy and for ensuring that a budget is adopted that achieves the key budget principles; and~~
- ~~• Monitor the overall budget performance and approve targets for key financial indicators (KFIs).~~

Audit & Risk Committee:

The Committee shall review and provide advice on Council's Annual Business Plan and Budget (at the time of their preparation and scheduled review).

Chief Executive Officer (CEO):

~~Is responsible for the following:~~

~~The CEO's is responsible for the operational management of budgets, ensuring agreed service levels are maintained and that there is direct alignment to strategic outcomes whilst also ensuring Council remains financially sustainable this includes:~~

- ~~• Recommendation—Recommending the proposed budget to Council and ensure that it is consistent with the Council's strategic priorities and operational requirements. Recommend the budget position to be presented to Council for adoption and further revisions as part of the Budget Review process to Council in accordance with the Local Government Act.~~
- ~~• Provision of Information—Providing information to Council to support Council decision making.~~

General Managers:

~~Are responsible for the following:~~

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- ~~Executive (EMT) – The Executive will~~ **Recommending** a budget position and subsequent budget review positions to the Chief Executive Officer.
- **Ensuring** alignment to the overarching Strategic Plans of Council including direct alignment to their department’s operational plans and goals.
- Oversee progress of specific projects or program, including service levels.

Manager Financial Services:

Is responsible for the following: —

- Leading the preparation of the budget, manage the budget review process, and providing regular updates to the ELT and Council; and.
- ~~Leadership Of Budget & Budget Review Process – Designing the process, setting of key financial deadlines, inputs and reporting to the CEO and Executive on progress.~~
- ~~Provision of Information – Provide~~ **ing information** to the ~~Executive~~ ELT and Council to support evidence based decision making with regard to the budget and budget reviews throughout the year. This includes tracking, reporting and analysis of actual income and expenditure against budget.

Budget Manager Officers:

• ~~Budget Delivery – Budget Officers are responsible for the following:~~

- ~~Preparation of budget inputs; Developing~~ detailed budget inputs, participate in budget workshops, and ensure timely submission of budget documents to meet required deadlines;
- ~~Attendance at budget workshops;~~
- ~~Presentation of budget; and~~
- ~~Achievement of deadlines as agreed and quality of inputs for the budget and subsequent budget reviews in alignment with budget guidelines. Variance tracking and reporting progress against budget; and.~~
- Manage delivery of specific projects or programs of work.
- —

6. POLICY STATEMENTS:

- 6.1 **Timing** – The budget must be considered in conjunction with the Council’s Annual Business Plan and be adopted after 31 May and before 31 August for the ensuing financial year. The budget must comply with the standards and principles prescribed by the regulations under the Local Government Act 1999. The budget shall include budgeted financial statements, which must be presented, other than notes and other explanatory documentation, in a manner consistent with the Model Financial Statements.
- 6.2 **Revenue & Expenditure** - The budget must also state whether the projected operating income is sufficient to meet projected operating expenses for the relevant financial year and include a summary of operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances.
- 6.3 **Annual Business Plan** - As part of the budget process Council will prepare an Annual Business Plan which will address the activities the Council intends to undertake in the ensuing year to achieve its objectives and the key performance indicators that Council will use to assess its performance against its objectives.
- 6.4 **Carry Forwards** – Budget allocations for capital projects not commenced prior to the end of the financial year will not automatically be carried forward to the next financial

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year. Capital projects not commenced or identified as not being able to commence and complete within a financial year, must be removed as part of the budget revision process, re-prioritised and costed and included in relevant asset management plans and forward works programming for future years-budgets.

Capital projects commenced and reasonably estimated to be completed before the end of the financial year, but due to reasons outside of the control of Management were not able to be finished are eligible to be carried forward to the following financial year.

No carryforwards will be allowed for operational items, all must be re-evaluated as part of the budget revision process and where relevant requested for input to future years budgets.

6.54 Key Financial Indicators (KFIs) - Council's key financial indicators will include as a minimum a forecast with respect to the councils operating surplus ratio, asset renewal funding ratio and net financial liabilities presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

6.65 Budget Development - The basis for Council's budget each year will, in its initial stages of development, be based upon budget guidelines issued to staff prior to the start of each year's process. The result will be evaluated and refined in terms of the Council's Long Term Financial Plan, annual objectives, KPIs and within the framework of Council budget assumptions and Strategic Plan Outcomes.

- 6.76 Budget Reviews** - In accordance with the Local Government (Financial Management) Regulations 2011, Regulation 9 requires Council to
- prepare and consider the uniform presentation of finances relating to the review of budgets at least twice, between 30 September and 31 May, and
 - between 30 November and 15 March (dates inclusive) prepare and consider a report that compares the revised forecast for each item of the financial statements to the adopted budget in a manner consistent with the Model Financial Statements.
 - A report must also include a report that ~~includes~~ presents the key financial ratios indicators (operating surplus ratio, net financial liabilities ratio and asset sustainability ratio) in a manner consistent with the Model Financial Statements.

Budget reviews should be undertaken by Budget Managers, Finance ~~with the Chief Executive Officer and Executive Management Team and ELT~~ during the year in accordance with Table 1 (below) as at the following dates and ~~taken recommended~~ to Council at the appropriate time immediately following:

Table 1: Budget Review Schedule

Budget Review	Inclusive Dates
Budget Review 1 (BR1)	1 July to 30 September
Budget Review 2 (BR2)	1 October to 31 December
Budget Review 3 (BR3)	1 January to 31 March

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7. POLICY PRINCIPLES

A number of principles are to be taken into consideration when preparing the annual budget, including:

- 7.1 **Service Levels** - Recurrent income and expenses should ensure maintenance of agreed service levels for all existing services to the community.
- 7.2 **Robust and Rigorous Processes** - Are undertaken to establish the budget and ensure that it is consistent with the initiatives and objectives of the following strategic management documents including accountability and transparency in the decision-making process:
 - ~~Futures Paper;~~ [Mount Gambier 2035](#)
 - Strategic Plan;
 - Long Term Financial Plan;
 - Asset Management Plan; and
 - Annual Business Plan.
- 7.3 **Realistic Assumptions** - All budget figures will be based on the best available information and the provision of value for money for the services provided.
- 7.4 **Asset Management Plans** - Will inform budget capital maintenance programs for renewal and replacement to prevent costly deterioration of infrastructure and maintain an adequate level of investment on existing assets to ensure satisfactory levels of service on an annual average basis.
- 7.5 **Asset Renewals** – Expenditure on the renewal of assets will be informed by asset management plans taking into consideration the [strategic and community importance of the asset \(criticality\)](#), results of condition audits and other information to ensure that assets are maintained at an appropriate standard.
- 7.6 **New Assets/Major Upgrades** - Expenditure on new assets and/or major upgrades to the service levels of existing infrastructure assets will be the result of strategic planning decisions and generally funded from capital grants and contributions, sale of surplus assets, rates, and/or borrowings. New sources of ongoing revenue will be identified for additional maintenance and annual operating costs resulting from new or upgraded assets.
- 7.7 **Financial Sustainability** - The budget will be developed in accordance with the key financial targets included in Council's Long Term Financial Plan (LTFP), and Council's Treasury Management Policy.
- 7.8 **Key Financial Indicators (KFIs)** - The budget and subsequent budget reviews will be developed and have regard to Council's key financial indicator targets.
- 7.9 **Legislative Obligations** - The Annual Budget and Budget Reviews will comply with the relevant requirements of the Local Government Act (1999) and associated Financial Management Regulations.

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7.10 **Financial Control** – Council is committed to ensuring that financial and other resources under Council’s control will be used only for approved purposes and within Council’s strategic framework and that all risks to Council’s finances are properly managed.

8. TRAINING / EDUCATION:

Training is provided to key members of staff, the Executive Management Team and Elected Members when communicating the details of the Long Term Financial Plan and annual budget process.

9. REVIEW & EVALUATION

This Policy is scheduled for review by Council ~~in November 2025~~ at least once throughout a designated Council term; however, it will be reviewed as required. This Policy will be reviewed:

- every four years; 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 Finance Services or ELT.

10. AVAILABILITY OF 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.

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File Reference:	AF11/893
Applicable Legislation:	Local Government Act 1999 Section 123. Local Government (Financial Management) Regulations 2011 Regulations 7 and 9.
Reference: Strategic Plan – Beyond 2015	Goal 3, Our Diverse Economy.
Related Policies:	A900 Asset Management Policy T150 Treasury Management Policy P420 Procurement and Disposal of Land and Assets R105 Rating Policy
Related Procedures:	Operating Budget, Budget Review and Adjustment Procedure Capital Budget, Budget Review and Adjustment Procedure Budget Ranking Procedure
Related Documents:	LGA Financial Sustainability Information Paper 25: Monitoring Council Budget Performance Annual Business Plan Guidelines (Rolled out to staff annually). Integrated Planning and Budgeting Framework

DOCUMENT DETAILS

Responsibility:	General Manager Corporate and Regulatory Services
Version:	76.0
Last revised date:	16 November 2021 , 18 February 2020
Effective date:	16 November 2021 18 February 2025
Minute reference:	16 November 2021 – Item Resolution 19.4 2021/353
Next review date:	November 2025 January 2029

<u>Document History</u>	
First Adopted By Council:	21 August 2012
Reviewed/Amended:	March 2014, April 2015, 16 January 2018, 18 February 2020, 16 November 2021.

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5.4 REVIEW OF TERMS OF REFERENCE

Author: Ashlee Pasquazzi, Executive Administrator Corporate and Regulatory Services
Authoriser: Jane Fetherstonhaugh, General Manager Corporate and Regulatory Services

RECOMMENDATION

1. That Audit and Risk Committee report titled 'Review of Terms of Reference' as presented on Wednesday 5 February 2025 be noted.
2. That the updated Audit and Risk Committee Terms of Reference having been reviewed by the Audit and Risk Committee at its meeting on 5 February 2025, be adopted.
3. That the Chief Executive Officer or Delegate be authorised to make any necessary changes to the Terms of Reference arising from this meeting, together with any typographical corrections, amendments to position or organisation titles, and finalisation of the document's formatting that do not materially alter the integrity of the document.

PURPOSE

This report presents the Audit and Risk Committee Terms of Reference for review by the Committee and subsequent adoption by Council.

TERMS OF REFERENCE

14. **Terms of Reference** – The Committee shall at least once every two years review its terms of reference.
15. **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.

RELEVANT 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").

Section 126 (1a) The purpose of an audit and risk committee established by a council is to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters.

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) monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's auditor; and
- (d) proposing and reviewing, the exercise of powers under section 130A; and
- (e) liaising with the council's auditor in accordance with any requirements prescribed by the regulations; and
- (f) reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis; and
- (g) —
 - (i) if the council has an internal audit function—
 - (A) providing oversight of planning and scoping of the internal audit work plan; and
 - (B) reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or
 - (ii) if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and
- (h) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and
- (i) reviewing any report obtained by the council under section 48(1); and
- (j) performing any other function determined by the council or prescribed by the regulations.

BACKGROUND / OPTIONS

The draft Terms of Reference for the Audit and Risk Committee have been updated to reflect minor modifications, such as adjustments for legislative compliance and wording improvements for better clarity.

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

CONCLUSION

This report recommends that the updated Audit and Risk Committee Terms of Reference having been reviewed by the Audit and Risk Committee at its meeting on 5 February 2025, be adopted.

ATTACHMENTS

1. DRAFT - Terms of Reference - Audit and Risk Committee [5.4.1 - 15 pages]



Audit and Risk Committee

TERMS OF REFERENCE

A Committee of Council

established pursuant to the provisions of

Sections 41 and 126
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 XX XXXX 2025.

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 &and Risk Committee (“the Committee”).
- 1.2 **Purpose** – According to Section 126 (1a) The purpose of an audit and risk committee established by a council is to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters.
- 1.3 **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) monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council’s auditor; and
 - (d) proposing and reviewing, the exercise of powers under section 130A; and
 - (e) liaising with the council’s auditor in accordance with any requirements prescribed by the regulations; and
 - (f) reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis; and
 - (g) —
 - (i) if the council has an internal audit function—
 - (A) providing oversight of planning and scoping of the internal audit work plan; and
 - (B) reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or
 - (ii) if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and
 - (h) reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and
 - (i) reviewing any report obtained by the council under section 48(1); and
 - (j) performing any other function determined by the council or prescribed by the regulations or in accordance with its Terms of Reference.

- 1.4 **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 endorsed by considered by full Council, for final decision and resolution, in alignment with Council's decision making and meeting procedures and policies.

2. INTERPRETATION:

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

Term	Interpretation
<u>Act</u>	<u>The Local Government Act 1999 and includes all Regulations and Schedules.</u>
<u>CEO</u>	<u>Refers to the Chief Executive Officer of the City of Mount Gambier.</u>
<u>Commencement Date</u>	<u>The date on which the Committee is established and becomes operative pursuant to clause 3.</u>
<u>Committee</u>	<u>The Committee of Council established pursuant to clause 3.</u>
<u>Committee Member</u>	<u>The persons appointed by the Council to the Committee pursuant to clause 4.</u>
<u>Council</u>	<u>The City of Mount Gambier that established the Committee and to which the Committee reports.</u>
<u>Ex-Officio</u>	<u>By virtue of the Mayor's position, the Mayor has the right but not the obligation to participate in proceedings of the Committee and when present at meetings, has voting rights.</u>
<u>Internal Auditor</u>	<u>The person appointed as being primarily responsible for the internal audit function of Council in accordance with section 125A of the Act.</u>
<u>Observers</u>	<u>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.</u>
<u>Presiding Member</u>	<u>The person appointed to that position pursuant to clause 5.</u>
<u>Sub-Committee</u>	<u>A sub-committee of the Audit and Risk Committee established in accordance with the Act.</u>
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.
CEO	Refers to the Chief Executive Officer of the City of Mount Gambier.

<u>Ex-Officio</u>	By virtue of the Mayor's position, the Mayor has the right but not the obligation to participate in proceedings of the Committee and when present at meetings, has voting rights.
<u>Internal Auditor</u>	The person appointed as being primarily responsible for the internal audit function of Council in accordance with section 125A of the Act.
<u>Presiding Member</u>	The person appointed to that position pursuant to clause 5.
<u>Observers</u>	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.
<u>Sub-Committee</u>	A sub-committee of the Audit and Risk 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,

Management, 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,
and shall be compliant with the requirements under section 126(2)(c) of the Local Government Act 1999.

4.2 **Appointment to Committee — Independent member**
Appointments to the Committee shall be for a period of at least two years, reviewed at a common appointment date every two years, aligned to the Council term. The common appointment date for existing appointees is 31 December. Appointees may be reappointed by Council. Refer section 6 for Council Member appointment.

4.3 **Resignation** — ~~Of the appointment must be~~Committee Members must resign in writing, addressed to the Committee, Mayor and CEO. Resignations should provide flexibility and consideration of the time required to recruit a suitable replacement.

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) and delegates 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 Presiding Member of the Committee.~~

4.94.8 **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.

4.104.9 **Voting Rights** - Only members of the Committee are entitled to vote (move and second) in Committee meetings.

4.10 Role of Council Staff - Members of Council's staff:

- -may attend any meeting as observers
- and bear responsible for preparing reports and papers for the Committee.
- are responsible for preparing and publishing agenda's and minutes in accordance with the Act.

~~4.11 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 nor 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 or appropriate website/online platform 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 ~~as resolved by Council~~ with an additional amount paid to the Presiding Member. 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 members of the Committee shall be appointed by Council at its Statutory Meeting the first meeting of the incoming Council and upon the expiry of any initial term, or as otherwise required to maintain membership of the Committee.

~~The Council member(s) of the Committee shall be appointed by Council at its Statutory Meeting, unless otherwise determined by the Presiding Member of~~

~~the Committee.~~

6.2 **Proxy Member** - May be appointed by the Presiding Member or Council. Only members of the Committee are entitled to vote in Committee meetings. If the member of Council who is a Committee member is unable to participate in a Committee meeting and a proxy is appointed, then the appointed proxy member is able to participate in the Committee meeting and is entitled to vote. A Proxy appointment must not be made for exceed-2 meetings held in succession. Committee members must be notified in advance of a meeting where a proxy has been appointed. All information made available to Committee members must be made available to Proxy Member.

6.3 **Tenure** — The tenure of the Council member on the Committee will be for the term of Council unless otherwise determined.

6.4 Remuneration – Council members appointed to the Committee shall not receive any additional remuneration.

7 COMMITTEE PRESIDING MEMBER:

7.1 **Role** – The role of the Presiding Member 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.

7.2 **Appointment** — The Presiding Member of the Committee must be appointed by Council resolution and be an independent member. The Presiding Member will be appointed for two years and reviewed in alignment with item 4.2.

7.3 **Tenure** — After serving two years, the Committee may choose to appoint the Presiding Member for a period of up to 2 years or the Committee may choose to nominate another Presiding Member from the independent membership. The process will be dependent on the Committee seeking nominations from the current independent membership and providing a report to Council for endorsement.

7.4 **Acting Presiding Member** — In the absence of the appointed Presiding Member from a meeting, a Council Officer will chair the meeting and seek the meeting will the appointment of an acting Presiding Member from the Independent members present at the meeting.

8. NOTICE OF MEETINGS:

8.1 The Committee shall conduct its meetings at the Council building, 10 Watson Terrace, Mount Gambier. Committee Members may attend via electronic means in accordance with item 9.7.

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 **9.1 — Number of Meetings** — Aligned with legislation there must be at least 1 meeting of an audit and risk committee in each quarter 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 Presiding Member 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 Presiding Member** — The Presiding Member, when [physically present in person or via electronic means](#), shall preside at all meetings of the Committee and at any other time the Committee shall appoint an Acting Presiding Member who shall preside at that meeting.
- 9.5 **Voting Rights** — Each Member of the Committee including the Presiding Member 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 Presiding Member 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 Participation via electronic means** — A Committee Member may participate, and is considered as being present at a meeting if [the Member:](#)
- [can hear all other members present at the meeting;](#)
 - [can be seen and heard by all other members present at the meeting;](#)
 - [can be seen and heard by the person recording the minutes of the](#)

meeting; and

- can express their vote on each and every question in a manner that can be identified by all other persons present at the meeting (whether all other persons at the meeting are physically present or present by electronic means).

Where a Committee Member attends via electronically means and is unable to meet the above requirements, ~~be been seen, they will not be considered present for a~~ Quorum, but may still participate in discussion and listen to proceedings.

~~9.8 in an online/virtual capacity. When attendance is via electronic means, Committee members must be visible. Where a Committee attends electronically and is unable to be been seen, they will not be considered present for quorum, but may still participate in discussion and listen to proceedings. using telephone or other electronic means as long as the Committee Member has advised the Chief Executive Officer a minimum of 24 hours prior to the commencement of the meeting.~~

9.9 **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 Presiding Member 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 unless section 90 of the Local Government Act applies.

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 Presiding Member or other person presiding at the subsequent meeting.

10.5 **Submission ~~T~~o 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 PROCEDURES:

11.1 **Legislation** - The Committee shall conduct meetings in accordance with the *Local Government Act 1999, Local Government (Procedures at Meetings)*

Regulations 2013 and Council Determined Meeting Procedures Policy.

11.2 **Conflict of Interest** - Conflict of Interest declarations pursuant to s73 - ~~75B~~
75C 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 has 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.

Aligned with **Section 126(4)** of the Local Government Act one of the functions of the Audit and Risk Committee will be as follows:

(i) if the council has an internal audit function—

(A) providing oversight of planning and scoping of the internal audit work plan; and

(B) reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis;

Aligned with **Section 125A** of the Local Government Act as follows:

(1) Despite any other law or instrument to the contrary, the person primarily responsible for the internal audit function –

(a) must ensure that any reports they prepare relating to the internal audit function are provided directly to the audit and risk committee; and

(b) may report any matters relating to the internal audit function directly to the audit and risk committee.

As such quarterly reporting will be provided to the Council Executive and the Audit and Risk Committee.

Aligned with **Section 99** of the Local Government Act the CEO will:

(ib) to report annually to the relevant audit and risk committee on the council's internal audit processes.

- 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 Presiding Member of the Committee.

12.4.512.4.6 Consult – Consult with the CEO prior to appointing a person primarily responsible for the internal audit functions in accordance with section 125A (**Internal Auditor**).

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.

12.8 ESCOSA Review:

Review and provide comment on ESCOSA's advice to Council regarding Council's financial sustainability.

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 **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.
- 14.5 **Regular Reporting** - *Section 126 of the Local Government Act effective from 30 November 2023 requires that the following report is prepared as shown below:*
 - (8) *A council audit and risk committee must— (a) provide a report to the council after each meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting;*
 - (9) *A council must ensure that the annual report of its audit and risk committee is included in its annual report*

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 AUDIT AND RISK COMMITTEE MEETING REPORT

Author: Kahli Rolton, Manager Financial Services
Authoriser: Jane Fetherstonhaugh, General Manager Corporate and Regulatory Services

RECOMMENDATION

1. That Audit and Risk Committee report titled 'Audit and Risk Committee Meeting Report' as presented on Wednesday 5 February 2025 be noted.

PURPOSE

A report to Council after the Audit and Risk Committee meeting, summarising the work of the committee preceding the meeting and the outcomes of the meeting.

TERMS OF REFERENCE

N/A

RELEVANT LEGISLATION

Section 126 of the Local Government Act effective from 30 November 2023 requires that the following report is prepared as shown below:

(8) A council audit and risk committee must—

(a) provide a report to the council after each meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting;

BACKGROUND / OPTIONS

Period Preceding the February Meeting:

1. Confidential Workshop – A workshop for Audit and Risk Committee Members and Council Elected Members to review presentation of debt restructuring and indicative interest savings was held prior to the January 2025 Council meeting on Thursday 9 January 2025. This workshop included open discussion and sought the advice of Committee Members prior to presentation to Council.

Confidential briefing notes were emailed 13 January 2025.

2. Memorandum emailed to Committee Members 17 January 2025 - Appointment of UHY Haines Norton to complete procurement and contract management internal audits.
3. Email to Committee 31 October 2024 – Minutes of the Audit and Risk Committee meeting held Monday 28 October 2024.
4. Email to Committee 28 January 2025 – Draft copy of Terms of Reference to be reviewed prior to Audit and Risk Meeting 5 February 2025.
5. Email to Committee 28 January 2025 – Draft copy of Budget Policy to be reviewed prior to Audit and Risk Meeting 5 February 2025.
6. Council Member Briefing - A meeting was held between the Council Member Audit and Risk Committee representative, the General Manager Corporate and Regulatory

Services, Manager Financial Services to provide a briefing on the reports included in the agenda prior to the meeting.

7. Presiding Member Pre-Meeting - A meeting was held between the Manager Financial Services and the Presiding Member to discuss the agenda prior to the meeting.

Outcomes of the Meeting:

The outcomes of this meeting will be summarised in the minutes to be adopted by Council.

CONCLUSION

The recommendation to Council is that they note the report as presented (in conjunction with the minutes of the meeting).

ATTACHMENTS

Nil

6 URGENT MOTIONS WITHOUT NOTICE

7 CONFIDENTIAL ITEMS

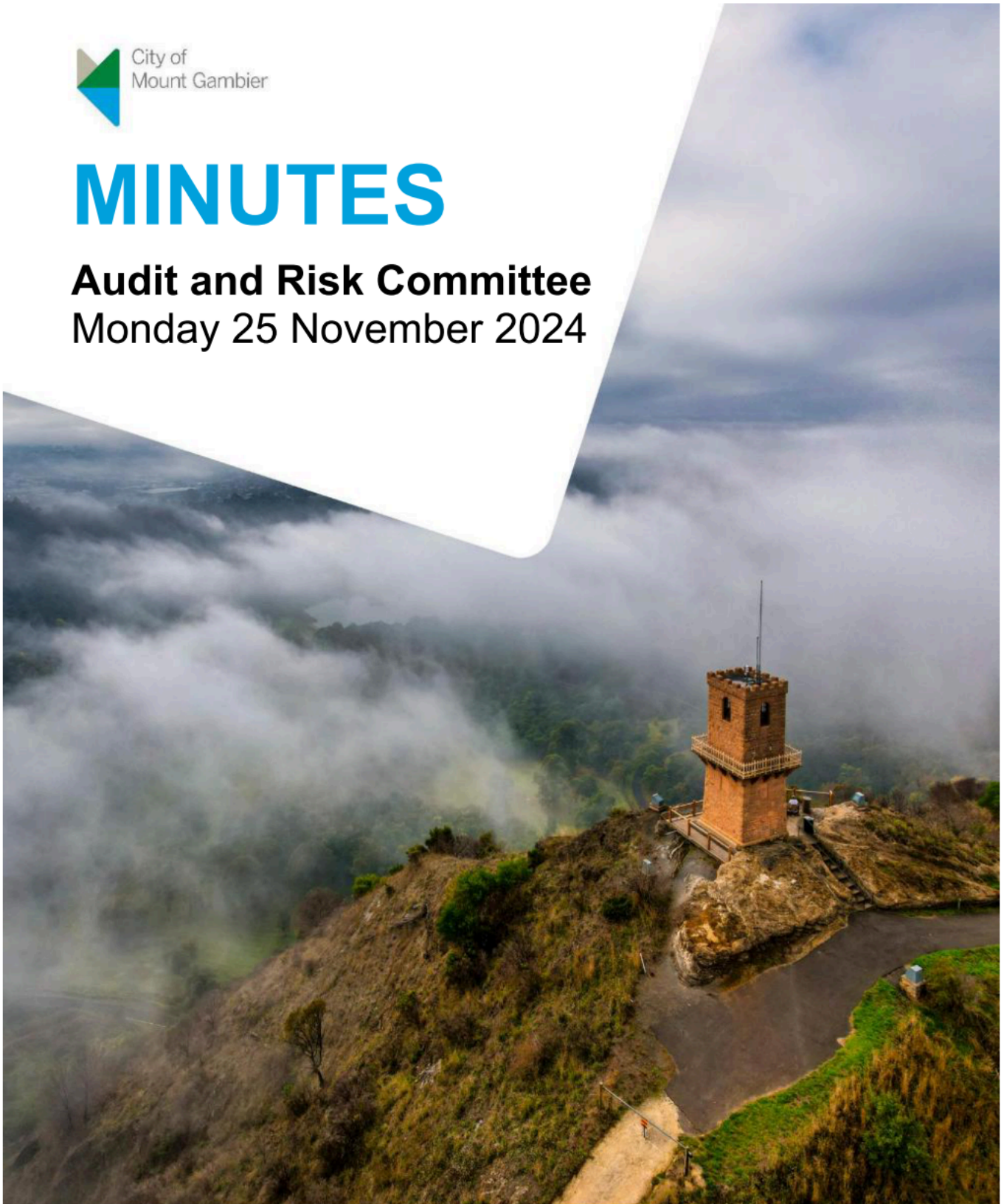
Nil

- 8 MEETING CLOSE**
- 9 ATTACHMENT - PREVIOUS COMMITTEE MINUTES**



MINUTES

Audit and Risk Committee Monday 25 November 2024



Minutes of City of Mount Gambier Audit and Risk Committee held at:

Time: 5:00 pm
Date: Monday 25 November 2024
Location: Council Chamber - Civic Centre
10 Watson Terrace, Mount Gambier

City of Mount Gambier
Audit and Risk Committee Meeting Minutes

25 November 2024

PRESENT: Mr Paul Duka (Presiding Member)
Cr Paul Jenner
Mr Alexander Brown (virtual)
Ms Belinda Johnson (virtual)

OFFICERS IN ATTENDANCE: Chief Executive Officer - Mrs S Philpott (virtual)
General Manager Corporate and Regulatory Services - Mrs J Fetherstonhaugh
Manager Financial Services - Ms K Rolton
Executive Administrator - Mrs A Pasquazzi

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 APOLOGIES

COMMITTEE RESOLUTION ARC 2024/11

Moved: Cr Paul Jenner
Seconded: Alexander Brown

That the apology from Mayor Lynette Martin be received.

CARRIED

3 CONFIRMATION OF MINUTES

3.1 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION ARC 2024/12

Moved: Alexander Brown
Seconded: Belinda Johnson

That the minutes of the Audit and Risk Committee Meeting held on 28 October 2024 be confirmed as an accurate record of the proceedings of the meeting.

CARRIED

4 QUESTIONS WITHOUT NOTICE

Nil

Presiding Member, Paul Duka sought leave of the meeting to reorder the agenda items.

5 REPORTS

5.6 ANNUAL WORK PLAN AND MEETING SCHEDULE

COMMITTEE RESOLUTION ARC 2024/13

Moved: Alexander Brown

Seconded: Belinda Johnson

1. That Council report titled 'Annual Work Plan and Meeting Schedule' as presented on Monday 25 November 2024 be noted.
2. That the Audit and Risk Committee recommends to Council it holds at minimum 6 meetings throughout 2025, noting that meeting dates are subject to change, including additional special meetings where required.

CARRIED

5.2 INTERNAL AUDIT: AMENDED PLAN, QUARTERLY UPDATE AND PROJECT SCOPE

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 the Internal Audit Plan.

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

Meeting Procedures were suspended at 5:50pm.

The Mayor 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 6:10pm.

COMMITTEE RESOLUTION ARC 2024/14

Moved: Paul Duka

Seconded: Belinda Johnson

1. That Council report titled 'Internal Audit: Amended Plan, Quarterly Update and Project Scope' as presented on Monday 25 November 2024 be noted.

2. That the Internal Audit Plan 2023/2024 - 2026/2027 (as amended), having been reviewed by the Audit and Risk Committee be recommended to Council for adoption.
3. That it be noted that progress achieved on the actions resulting from the internal audit already completed will be reported in future quarterly updates.
4. That having reviewed the scope of works for the internal audit project for procurement and contract management, the Audit and Risk Committee are satisfied it is sufficient, and is amended to include
 - reference to a minimum sample size
 - training
 - delegations
5. That the next iteration of the Internal Audit Plan:
 - Incorporates a risk based approach, informed by the strategic risk register and internal financial controls review
 - Removes Item 2, penetration testing
 - Shifts item 13, Council Policies to the 2027/2028 financial year.

CARRIED

5.1 ANNUAL REVIEW BORROWINGS AND INVESTMENTS

COMMITTEE RESOLUTION ARC 2024/15

Moved: Cr Paul Jenner

Seconded: Alexander Brown

1. That Council report titled 'Annual Review Borrowings and Investments' as presented on Monday 25 November 2024 be noted.

CARRIED

5.3 POLICY UPDATE

COMMITTEE RESOLUTION ARC 2024/16

Moved: Cr Paul Jenner

Seconded: Belinda Johnson

1. That Council report titled 'Policy Update' as presented on Monday 25 November 2024 be noted.

CARRIED

5.4 POLICIES FOR REVIEW

Alexander Brown left the meeting at 6:34pm and did not return.

COMMITTEE RESOLUTION ARC 2024/17

Moved: Cr Paul Jenner

Seconded: Belinda Johnson

1. That Council report titled 'Policies for Review' as presented on Monday 25 November 2024 be noted.
2. That having been reviewed by the Audit and Risk Committee on 25 November 2024, the following reviewed and amended policies be endorsed:
 - (a) Emergency Management Policy
 - (b) Treasury Management Policy - T150
3. That having been reviewed by the Audit and Risk Committee on 25 November 2024, the content of the following reviewed and amended policies / procedures be endorsed:
 - (a) Request for Service and Complaint Procedure - C200
 - (b) Internal Review of Council's Decision - C290and that the administration determine prior to presentation to Council the relationship between the two (2) policies and whether they are more appropriately policies or procedures.
4. That the Chief Executive Officer (or delegate) be authorised to make minor administrative changes to the policies / procedures as required.

CARRIED

5.5 LEASE AND LICENCE UPDATE

COMMITTEE RESOLUTION ARC 2024/18

Moved: Cr Paul Jenner

Seconded: Belinda Johnson

1. That Council report titled 'Lease and Licence Update' as presented on Monday 25 November 2024 be noted.

CARRIED

5.7 AUDIT AND RISK COMMITTEE MEETING REPORT

COMMITTEE RESOLUTION ARC 2024/19

Moved: Paul Duka

Seconded: Belinda Johnson

1. That Council report titled 'Audit and Risk Committee Meeting Report' as presented on Monday 25 November 2024 be noted.

CARRIED

6 URGENT MOTIONS WITHOUT NOTICE

Nil

7 CONFIDENTIAL ITEMS

Nil

8 MEETING CLOSE

The meeting closed at 7:08pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 5 February 2024.

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PRESIDING MEMBER