

# MINUTES

## Audit and Risk Committee Wednesday 4 June 2025



**Minutes of the Audit and Risk Committee held at:**

**Time:** 5:30 pm  
**Date:** Wednesday 4 June 2025  
**Location:** Council Chamber - Civic Centre  
10 Watson Terrace, Mount Gambier

**PRESENT:** Mayor Lynette Martin (OAM)  
Mr Paul Duka (Presiding Member)  
Cr Paul Jenner  
Mr Alexander Brown  
Ms Belinda Johnson

<b>OFFICERS IN ATTENDANCE:</b>	Chief Executive Officer	- Mrs S Philpott
	General Manager City Infrastructure	- Ms B Cernovskis
	General Manager Corporate and Regulatory Services	- Mrs J Fetherstonhaugh
	Manager Financial Services	- Ms K Rolton
	Manager Engineering, Design and Assets	- Abdullah Mahmud
	Manager Governance and Property	- Ms B Shelton (virtual)
	Executive Administrator	- Mrs S Spears

**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**

**COMMITTEE RESOLUTION ARC 2025/16**

Moved: Alexander Brown  
Seconded: Belinda Johnson

That the minutes of the Audit and Risk Committee Meeting held on 2 April 2025 be confirmed as an accurate record of the proceedings of the meeting.

**CARRIED**

**4 QUESTIONS WITHOUT NOTICE**

Nil

## 5 REPORTS

### 5.1 DRAFT 2025/2026 ANNUAL BUSINESS PLAN AND BUDGET

#### COMMITTEE RESOLUTION ARC 2025/17

Moved: Alexander Brown

Seconded: Cr Paul Jenner

1. That the Audit and Risk Committee report titled 'Draft 2025/2026 Annual Business Plan and Budget' as presented on Wednesday 4 June 2025 be noted.
2. That the Audit and Risk Committee feedback on Council's Draft 2025/2026 Annual Business Plan and Budget and/or the associated processes and risks, as follows:
  - Notes the achievement of a balanced budget for 25/26 and the positive trend in the other financial indicators;
  - The Annual Business Plan and Budget final to include the financial ratios;
  - Consideration for the next draft Annual Business Plan and Budget to include the rate in the dollar and average rate increase and the final then to demonstrate the degree of change since the draft, if practicable;
  - Congratulations to the Council and Administration on the new structure of the document; and
  - Notes the response to the ESCOSA recommendations contained across both the Annual Business Plan and Budget and the Long Term Financial Plan;

be incorporated with the public consultation feedback to be presented to the Special Council meeting to be held on the 17 June 2025 for consideration of the adoption of the Draft 2025/2026 Annual Business Plan and Budget.

**CARRIED**

### 5.2 DRAFT LONG TERM FINANCIAL PLAN FOR PUBLIC CONSULTATION

#### COMMITTEE RESOLUTION ARC 2025/18

Moved: Paul Duka

Seconded: Belinda Johnson

1. That the Audit and Risk Committee report titled 'Draft Long Term Financial Plan for Public Consultation' as presented on Wednesday 4 June 2025 be noted.
2. That the Audit and Risk Committee feedback on Council's Draft Long Term Financial Plan 2026-2035 and/or the associated processes and risks, as follows:
  - Financial sustainability in the longer term demonstrates careful debt management, surplus budgets and positive asset renewal funding for the term of the plan;
  - Consideration during the Rating Review about how growth is treated in future iterations of the budget and long term financial plan;

- Next iteration of the Long Term Financial Plan to consider the application of accumulated cash to either offset the sustainability margin or offset asset management plan requirements;
- Notes the response to the ESCOSA recommendations contained across both the Annual Business Plan and Budget and the Long Term Financial Plan;
- Notes that the Waste management costs increases are predicated on the current waste financial models, and final outcomes will be dependant on design of future cells and capping, and other issues including, but not limited to leachate;
- Notes that the Long Term Financial Plan is giving a more accurate projection of the longer term, informed by work on asset management, depreciation analysis, waste financial modelling and other inputs; and
- Congratulations to the Council and Administration on the new structure of the document;

be incorporated with the public consultation feedback to be presented to the Special Council meeting to be held on the 17 June 2025 for consideration of the adoption of the Draft Long Term Financial Plan 2026-2035.

**CARRIED**

### **5.3 ASSET MANAGEMENT PLANNING APPROACH**

#### **COMMITTEE RESOLUTION ARC 2025/19**

Moved: Cr Paul Jenner

Seconded: Mayor Lynette Martin

1. That the Audit and Risk Committee report titled 'Asset Management Planning Approach' as presented on Wednesday 4 June 2025 be noted.
2. That the Audit and Risk Committee:
  - (a) Endorse the progress made from July 2024 to February 2025 in implementing the Asset Management Strategy;
  - (b) Note the ongoing actions to reconcile renewal expenditure against depreciation and improve asset condition data collection for the purposes of ensuring depreciation accurately reflects the rate of asset consumption and that asset renewal and replacement is fully funded; and
  - (c) Support the continued development of class-by-class breakdowns in the Asset Management Plans, ensuring alignment with the Long-Term Financial Plan (LTFP);
3. That a further report will be presented to the Audit and Risk Committee following the conclusion of the detailed condition audits (currently in progress) that includes considerations to maintenance scheduling and depreciation.
4. That the integrated approach of the Assets and Finance teams to progressing the asset management strategy is acknowledged.

**CARRIED**

#### **5.4 RISK APPETITE STATEMENT**

7:01pm - Brittany Shelton joined meeting virtually.

7:20pm - Brittany Shelton left the meeting.

##### **COMMITTEE RESOLUTION ARC 2025/20**

Moved: Alexander Brown

Seconded: Belinda Johnson

1. That the Audit and Risk Committee report titled 'Risk Appetite Statement' as presented on Wednesday 4 June 2025 be noted.
2. That the Audit and Risk Committee receive and note the draft Risk Appetite Statement for City of Mount Gambier and amended Risk Management Policy.

**CARRIED**

#### **5.5 2024/2025 EXTERNAL AUDIT INTERIM MANAGEMENT REPORT**

##### **COMMITTEE RESOLUTION ARC 2025/21**

Moved: Mayor Lynette Martin

Seconded: Cr Paul Jenner

1. That the Audit and Risk Committee report titled '2024/2025 External Audit Interim Management Report' as presented on Wednesday 4 June 2025 be noted.
2. That the Audit and Risk Committee:
  - (a) Have reviewed the findings of the audit with the external auditor, Dean Newbery at a workshop held prior to the commencement of the meeting;
  - (b) Are satisfied with the external auditor's effectiveness to arrive at their findings and considerations raised for balance date audit;
  - (c) Have reviewed Management's responses contained in this report and are satisfied they address the findings of the external auditor per the interim audit management letter.
3. That actions arising as a result of the interim audit 2024/2025 will be overseen by the Audit and Risk Committee as updated/completed.

**CARRIED**

#### **5.6 QUARTERLY INTERNAL AUDIT UPDATE**

**COMMITTEE RESOLUTION ARC 2025/22**

Moved: Mayor Lynette Martin

Seconded: Belinda Johnson

1. That Audit and Risk Committee report titled 'Quarterly Internal Audit Update' as presented on Wednesday 4 June 2025 be noted.
2. That Audit and Risk Committee note the progress achieved on the actions resulting from the internal audits already completed be noted.
3. That Audit and Risk Committee note that two internal audit projects—Procurement and Contract Management—have been completed, with reports to be presented to the Committee in June 2025, and that the Rating Review audit is underway, scheduled for completion in the 2025/2026 financial year in line with Council's request.

**CARRIED**

**5.7 INTERNAL AUDIT PROCUREMENT AND CONTRACT MANAGEMENT**

**COMMITTEE RESOLUTION ARC 2025/23**

Moved: Paul Duka

Seconded: Alexander Brown

1. That the Audit and Risk Committee report titled 'Internal Audit Procurement and Contract Management' as presented on Wednesday 4 June 2025 be noted.
2. That it be noted that progress achieved on the actions resulting from the internal audits for procurement and contract management will be reported in future internal audit updates.

**CARRIED**

**5.8 WORK HEALTH SAFETY (WHS) AND WELLBEING QUARTERLY REPORT - JANUARY - MARCH 2025**

**COMMITTEE RESOLUTION ARC 2025/24**

Moved: Alexander Brown

Seconded: Mayor Lynette Martin

1. That the Audit and Risk Committee report titled 'Work Health Safety (WHS) and Wellbeing Quarterly Report - January - March 2025' as presented on Wednesday 4 June 2025 be noted.

**CARRIED**

## **5.9 AUDIT AND RISK COMMITTEE MEETING REPORT**

### **COMMITTEE RESOLUTION ARC 2025/25**

Moved: Paul Duka

Seconded: Cr Paul Jenner

1. That Audit and Risk Committee report titled 'Audit and Risk Committee Meeting Report' as presented on Wednesday 4 June 2025 be noted.
2. That the Audit and Risk Committee be provided with a summary of the outcomes of this meeting within 5 business days and will provide feedback prior to inclusion in the Council Meeting Agenda for 17 June 2025.

**CARRIED**

## **6 URGENT MOTIONS WITHOUT NOTICE**

Nil

## **7 CONFIDENTIAL ITEMS**

Nil

## **8 MEETING CLOSE**

The meeting closed at 7:39 pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on DD MMMM YYYY.

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**PRESIDING MEMBER**