

**MINUTES OF CITY OF MOUNT GAMBIER
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT
GAMBIER
ON MONDAY, 27 NOVEMBER 2023 AT 5.30 P.M.**

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

OFFICERS IN ATTENDANCE: General Manager Corporate and Regulatory Services - Mrs J Fetherstonhaugh
Manager Financial Services - Mrs J Scoggins
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 APOLOGY(IES)

COMMITTEE RESOLUTION

Moved: Paul Duka

Seconded: Belinda Johnson

That the apology from Mayor Lynette Martin be received.

CARRIED

3 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Paul Jenner

Seconded: Alexander Brown

That the minutes of the Audit and Risk Committee meeting held on 30 October 2023 be confirmed as an accurate record of the proceedings of the meeting.

CARRIED



3.1 MOTION - BRIEFING NOTES - CR PAUL JENNER - 21 NOVEMBER 2023

COMMITTEE RESOLUTION

Moved: Cr Paul Jenner
Seconded: Paul Duka

That the briefing notes provided by Cr Paul Jenner from the 21 November 2023 Council meeting, as attached the minutes of this meeting, be noted.

CARRIED

4 QUESTIONS WITHOUT NOTICE

Nil

5 REPORTS

5.1 EXTERNAL AUDIT MANAGEMENT REPORT

COMMITTEE RESOLUTION

Moved: Belinda Johnson
Seconded: Alexander Brown

1. That Audit and Risk Committee Report No. AR23/76759 titled 'External Audit Management Report' as presented on 27 November 2023 be noted.

CARRIED

5.2 REVIEW OF COUNCIL POLICIES AND LEASES/LICENCES - UPDATE

COMMITTEE RESOLUTION

Moved: Alexander Brown
Seconded: Belinda Johnson

1. That Audit and Risk Committee Report No. AR23/76976 titled 'Review of Council Policies and Leases/Licences - Update' as presented on 27 November 2023 be noted.
2. That Policy P910 Provision of Loans or Guarantees to Community Groups as attached to Report No. AR23/76976, be suspended whilst under review.
3. That Policy E200 - Employees - Service Awards - Gifts as Resignation/Retirement as attached to Report No. AR23/76976, be suspended whilst under review.

CARRIED



5.3 POLICY REVIEW - F225 FRAUD, CORRUPTION, MISCONDUCT AND MALADMINISTRATION PREVENTION POLICY AND INTERNAL AUDIT POLICY

COMMITTEE RESOLUTION

Moved: Alexander Brown

Seconded: Belinda Johnson

1. That Audit and Risk Committee Report No. AR23/66340 titled 'Policy Review - F225 Fraud, Corruption, Misconduct and Maladministration Prevention Policy and Internal Audit Policy' as presented on 27 November 2023 be noted.
2. That the revised F225 Fraud, Corruption, Misconduct and Maladministration Prevention Policy as attached to Report No. AR23/66340, having been reviewed by the Audit and Risk Committee on 27 November 2023, be adopted.
3. That the Internal Audit Policy as attached to Report No. AR23/66340, having been reviewed by the Audit and Risk Committee on 27 November 2023, be adopted.
4. That the Chief Executive Officer or Delegate be authorised to make any necessary changes to the policies 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.
5. That the responsibility for the internal audit function as set out in the Internal Audit Policy and Draft Internal Audit Plan be noted.

CARRIED

5.4 POLICY REVIEW - PROCUREMENT AND DISPOSAL OF LAND AND ASSETS POLICIES

COMMITTEE RESOLUTION

Moved: Cr Paul Jenner

Seconded: Paul Duka

1. That Audit and Risk Committee Report No. AR23/64014 titled 'Policy Review - Procurement and Disposal of Land and Assets Policies' as presented on 27 November 2023 be noted.
2. That the P420 Procurement and Disposal of Land and Assets Policy be revoked and replaced by the Procurement Policy and the Disposal of Land and Assets Policy.
3. That the Disposal of Land and Assets Policy as attached to Report No. AR23/64014, having been reviewed by the Audit and Risk Committee on 27 November 2023, be adopted.
4. That the Procurement Policy as attached to Report No. AR23/64014, having been reviewed by the Audit and Risk Committee on 27 November 2023, be adopted.
5. That the Chief Executive Officer or Delegate be authorised to make any necessary changes to the policies 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.

CARRIED



5.5 COUNCIL INVESTMENTS AND BORROWINGS

COMMITTEE RESOLUTION

Moved: Cr Paul Jenner
Seconded: Alexander Brown

1. That Audit and Risk Committee Report No. AR23/70502 titled 'Council Investments and Borrowings' as presented on 27 November 2023 be noted.

CARRIED

Mr Alexander Brown left the meeting at 6:09 pm

5.6 SELF-ASSESSMENT OF PERFORMANCE AUDIT AND RISK COMMITTEE

COMMITTEE RESOLUTION

Moved: Paul Duka
Seconded: Belinda Johnson

1. That Audit and Risk Committee Report No. AR23/76967 titled 'Self-assessment of Performance Audit and Risk Committee' as presented on 27 November 2023 be noted.
2. That the Audit and Risk Committee Self-Assessment Report for 2022/2023, having been reviewed by the Audit and Risk Committee on 27 November 2023, be adopted.

CARRIED

Mr Alexander Brown returned to the meeting at 6:12 pm

5.7 AUDIT AND RISK COMMITTEE WORK PROGRAM & MEETING SCHEDULE 2024

COMMITTEE RESOLUTION

Moved: Belinda Johnson
Seconded: Alexander Brown

1. That Audit and Risk Committee Report No. AR23/76965 titled 'Audit and Risk Committee Work Program & Meeting Schedule 2024' as presented on 27 November 2023 be noted.
2. That having been reviewed by the Audit and Risk Committee on 27 November 2023, the below meeting dates for 2024 be adopted, noting that the meeting dates are subject to change, including if an additional meeting is required:
 - (a) 29 January 2024
 - (b) 26 February 2024;
 - (c) 25 March 2024;
 - (d) 27 May 2024;
 - (e) 29 July 2024;
 - (f) 28 October 2024; and



(g) 25 November 2024.

3. That the draft work program as reviewed by the Audit and Risk Committee for the calendar year 2024 (attached) be adopted, noting the meeting dates, months and schedule are subject to change, including if an additional meeting is required.

CARRIED

5.8 INTERNAL AUDIT PROGRAM

COMMITTEE RESOLUTION

Moved: Alexander Brown

Seconded: Belinda Johnson

1. That Audit and Risk Committee Report No. AR23/78717 titled 'Internal Audit Program' as presented on 27 November 2023 be noted.
2. That the Draft Internal Audit Plan as attached to Report No. AR23/78717, having been reviewed by the Audit and Risk Committee on 27 November 2023, be adopted with the following additions:
 - (a) Procurement and Contract Management to be added
3. That the Chief Executive Officer or Delegate be authorised to make any necessary changes to the Draft Internal Audit Plan 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.

CARRIED

5.9 RISK MANAGEMENT REPORT SEPTEMBER 2023

COMMITTEE RESOLUTION

Moved: Paul Duka

Seconded: Cr Paul Jenner

1. That Audit and Risk Committee Report No. AR23/76980 titled 'Risk Management Report September 2023' as presented on 27 November 2023 be noted.

CARRIED

5.10 WORK HEALTH SAFETY AND WELLBEING MANAGEMENT

COMMITTEE RESOLUTION

Moved: Paul Duka

Seconded: Cr Paul Jenner

1. That Audit and Risk Committee Report No. AR23/76978 titled 'Work Health Safety and Wellbeing Management' as presented on 27 November 2023 be noted.

CARRIED



5.11 AUDIT AND RISK COMMITTEE MEETING REPORT 27/11/23

COMMITTEE RESOLUTION

Moved: Belinda Johnson
Seconded: Alexander Brown

1. That Audit and Risk Committee Report No. AR23/81356 titled 'Audit and Risk Committee Meeting Report 27/11/23' as presented on 27 November 2023 be noted.

CARRIED

Mr Alexander Brown left the meeting at 6:59 pm and did not return.

6 MOTIONS WITHOUT NOTICE

Nil

7 MEETING CLOSE

The Meeting closed at 7:01 pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee held on 29 January 2024.

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PRESIDING MEMBER



Report recommendations:

1. That Audit and Risk Committee Report No. AR23/37466 titled 'Draft 2022/2023 Financial Statements' as presented on 30 October 2023 be noted.
2. That the Audit and Risk Committee advises Council that in accordance with Section 126 (4) (a) of the Local Government Act 1999, it has reviewed the draft annual financial statements of Council for the financial year 2023 and 'they present fairly the state of affairs of the council'.
3. That having been reviewed by the Audit and Risk Committee on 30 October 2023, the Audit Completion Report and Management Representations Letter as attached to Report No. AR23/37466 be noted.

Overview:

It is important to note that the review of Council's draft financial statements represents one of the most important items in the Audit and Risk Committee's work program. This is where a group of subject matter experts get to review the statements, ask questions where required and provide feedback to our staff.

This is also where the External Auditors get to speak to the Audit and Risk Committee and provide their feedback on the financial statements and the underlying internal financial controls based on comprehensive testing and reviews undertaken at the interim and balance date audits and beyond.

This is the opportunity for both parties to review the financial statements and to state that 'they present fairly the state of affairs of the council'.

This represents the culmination of a significant amount of work for the Finance team, from the data provided to support the testing at the interim and balance date audits and the compilation of the financial statements ensuring that these are aligned with accounting standards and the 'model financial statements' as defined by State Government.

The Audit Completion Report provided by Dean Newbery and the verbal feedback provided by the relevant partners and staff showed that Council's Finance team have been extremely diligent in the work to support the production of the financial statements, and also the progress made in the journey of continuous improvement. They were congratulated by the External Auditors for the way in which they have reported on progress from previous audits, taking on board feedback, making changes and reporting progress regularly to the Audit and Risk Committee.

The independent members of the Audit and Risk Committee in their role as subject matter experts also thanked the team for their work and congratulated them for a job well done.

I would like to take this opportunity as Council's representative on the Audit and Risk Committee to thank the Finance team for their hard work....

