



MINUTES

Audit and Risk Committee Meeting

(Subject to confirmation)

7 June 2023

**MINUTES OF YORKE PENINSULA COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS , MINLATON TOWN HALL, 57 MAIN STREET,
MINLATON
ON TUESDAY, 7 JUNE 2023 AT 3:00PM**

1 WELCOME BY CHAIRPERSON

Chair Rob Reiman welcomed everyone to the meeting and declared the meeting open at 3:00pm.

2 PRESENT

Chair Rob Reiman, Cr Tania Stock, Member Hussain Rafeeu.

In Attendance

Ben Thompson (Director Corporate and Community Services), Darren Braund (Mayor), Amanda Pitt via Teams (Business Improvement Officer), Daniel Griffin (Manager Financial Services), Michael McCauley (Asset Manager), Adele Wyatt (Executive Services Support Officer), Chloe Brown (Accountant – Financial Management) and Lauren McSkimming (Minute Secretary).

3 LEAVE OF ABSENCE

Nil

4 APOLOGIES

Andrew Cameron (CEO), Andre Kompler (Director Assets and Infrastructure Services) and Cr Alan Headon

5 CONFLICT OF INTEREST

Chair Rob Reiman reminded all Elected Members of the requirement to disclose any conflict of interest in relation to any matters before Council.

Nil

6 MINUTES OF PREVIOUS MEETING – FOR CONFIRMATION

COMMITTEE RESOLUTION

Moved: Member Hussain Rafeeu

Seconded: Cr Tania Stock

That the minutes of the Audit and Risk Committee Meeting held on 21 February 2023 be confirmed.

CARRIED 014/2023 (07/06/2023)

7 VISITORS TO THE MEETING

Nil

REPORTS**8 NEW BUSINESS****COMMITTEE RESOLUTION**

Moved: Member Hussain Rafeeu
Seconded: Cr Tania Stock

INSERTION OF LATE ITEM 8.10 – DRAFT ANNUAL BUSINESS PLAN AND BUDGET 2023/2024

That the Committee approve the insertion of late item 8.10 – Draft Annual Business Plan and Budget 2023/2023 into the Agenda.

CARRIED 015/2023 (07/06/2023)

8.1 AUDIT AND RISK COMMITTEE WORK PLAN 2023**PURPOSE**

To consider and endorse an updated work plan for 2023.

COMMITTEE RESOLUTION

Moved: Member Hussain Rafeeu
Seconded: Cr Tania Stock

That the Audit and Risk Committee endorse the updated 2023 Work Plan with possible meeting date changes to be confirmed.

CARRIED 016/2023 (07/06/2023)

Chair Rob Reiman advised the committee he would not be available for the scheduled 28 November 2023 meeting and posed to move the meeting forward to 5 November 2023. Member Hussain Rafeeu also advised the committee he would not be available for the scheduled 29 August 2023 meeting and posed to move the meeting forward to 5 September 2023. Staff to consider and liaise with Elected Members not present, will report back to committee with confirmation of this date change.

8.2 AUDIT AND RISK COMMITTEE ANNUAL REPORT 2022**PURPOSE**

For the Audit and Risk Committee to review its draft Annual Report for the 2022 calendar year prior to being presented to Council for consideration in accordance with Clause 13 of the Committee's Terms of Reference.

COMMITTEE RESOLUTION

Moved: Cr Tania Stock
Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee recommend for endorsement to Council:

1. The Committee's Annual Report for the 2022 calendar year; and
2. The updated Terms for Reference as presented.

CARRIED 017/2023 (07/06/2023)

Chair Rob Reiman requested that the number of responders to the 2022 self-assessment be reflected to note the change in personnel due to the Council Elections and the attendance of meeting section have a note to reflect that both independent members were available for the meeting they were apologies for but due to Council's Policy at the time, it didn't allow for electronic meetings. Staff to make suggested changes.

Cr Tania Stock sought clarification in the Terms of Reference (TOR) regarding the composition of the committee. Chair Rob Reiman provided clarification that once an additional Independent Member is selected, the TOR will be updated to reflect this.

Chair Rob Reiman suggested to change the selection panel, under membership, of the TOR be updated to four (4) panel members. Comprising of at least two Elected Members (preferably those on the Committee), the Director Corporate and Community Services and the CEO (or his proxy). All members in attendance agreed with this change and staff to update the TOR before endorsed by Council.

8.3 MARCH QUARTERLY BUDGET REVIEW 2022/2023

PURPOSE

To receive Council's endorsed March quarterly budget review (as at 31 March 2023) for Council's 2022/2023 Budget and associated financial statements, ratios and amendments.

COMMITTEE RESOLUTION

Moved: Cr Tania Stock
Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee receive the endorsed 2022/2023 March Budget Review changes as presented in the attached Summary of Changes, Statement of Comprehensive Income and Uniform Presentation of Finances and receive the updated Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Financial Indicators (Ratios).

CARRIED 018/2023 (07/06/2023)

8.4 PROPOSED RATING MODELS 2023/2024

PURPOSE

To update the Audit and Risk Committee on indicative capital valuations and rating models for 2023/2024 to raise general rate revenue to fund Council's Annual Business Plan (ABP) and Budget.

COMMITTEE RESOLUTION

Moved: Member Hussain Rafeeu
Seconded: Cr Tania Stock

That the report be received.

CARRIED 019/2023 (07/06/2023)

Member Hussain Rafeeu asked staff if any feedback had been submitted following the public consultation of the Annual Business Plan (ABP) and Budget 2023/2024 as the ESCOSA report indicated to not go above 7% and the Council is posing a 8% increase plus an additional 3% for primary production. Manager Financial Services commented that there had been some feedback and the ESCOSA report is generic comments and recommendations, which Council is not required to enforce. Director Corporate and Community Services added comment that when Council received the report from ESCOSA, the finance team were well within the budget preparation. Staff provided 12 different rating modules to the Elected Members to consider via an information and briefing session.

Cr Tania Stock sought clarification on what mediums had been used to advertise the ABP for public consultation. Director Corporate and Community Services and Manager Financial Services advised in the Community Engagement Plan it states it will be advertised in the Yorke Peninsula Country Times (YPCT) for two issues, on councils website and social media. There's also an opportunity to supply written feedback and appear before council at the 28 June 2023 Council Meeting.

8.5 EXTERNAL AUDITOR AUDIT PLAN 2022/2023

PURPOSE

To inform the Audit and Risk Committee with regards to the External Auditor's audit plan for the 2022/2023 financial year ended 30 June 2023.

COMMITTEE RESOLUTION

Moved: Cr Tania Stock

Seconded: Member Hussain Rafeeu

That the report be received.

CARRIED 020/2023 (07/06/2023)

Member Hussain Rafeeu questioned the outstanding management letter and why these areas haven't appeared on the outstanding audit action list that is provided to the committee. Business Improvement Officer advised the procedure is included but would have to check why the asset revaluation of land and buildings isn't included. Staff to take on notice and report back to the committee.

Asset Manager commented that Council will be conducting a new Asset Management Plan (AMP) which will include the points raised from Cr Tania Stock regarding assets that are underutilised and will include an insurance evaluation as well. This report will be coming to the Committee in the next few months.

Chair Rob Reiman noted that the final management letter from the external auditor would be provided to council staff by 20 October 2023. Staff advised a report would be coming to the November meeting to include this.

8.6 INTERNAL AUDIT ACTIVITY REPORT**PURPOSE**

To provide the Audit and Risk Committee with an update on the recent Internal Audit activity.

COMMITTEE RESOLUTION

Moved: Cr Tania Stock
Seconded: Member Hussain Rafeeu
That the report be received.

CARRIED 021/2023 (07/06/2023)

Member Hussain Rafeeu noted that the review of expiation notices was due to be completed by 31 May 2023 and questioned whether this is still outstanding. Business Improvement Officer advised it hadn't been completed when this meeting agenda had been run and hoped the department had been utilising the updated standard form but would need to take this question on notice and would provide comment back to the committee once confirmed.

8.7 SCHEDULED POLICY AND PROCEDURE REVIEW REGISTER**PURPOSE**

To provide the Audit and Risk Committee with a Policy and Procedure Review Register informing of proposed review dates for draft policies and procedures, relevant to the Audit and Risk Committee.

COMMITTEE RESOLUTION

Moved: Chair Rob Reiman
Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee receive the Policy and Procedure Review Register.

CARRIED 022/2023 (07/06/2023)

8.8 ASSET MANAGEMENT UPDATE**PURPOSE**

To update the Audit and Risk Committee members on Asset Management activities.

COMMITTEE RESOLUTION

Moved: Chair Rob Reiman
Seconded: Cr Tania Stock
That the report be received.

CARRIED 023/2023 (07/06/2023)

Asset Manager advised the final version of the valuation will be presented to the August 2023 meeting for endorsement. Cr Tania Stock questioned whether the report would highlight the assets that are underutilised. Asset Manager advised it would not but can present to the Elected Members at an information and briefing session.

8.9 POLICY REVIEW - PO128 ASSET MANAGEMENT POLICY

PURPOSE

To seek Audit and Risk Committee endorsement of the updated PO128 Asset Management Policy.

COMMITTEE RESOLUTION

Moved: Member Hussain Rafeeu

Seconded: Cr Tania Stock

That the Audit and Risk Committee receive the updated PO128 Asset Management Policy and recommend to Council that it be adopted as presented.

CARRIED 024/2023 (07/06/2023)

8.10 DRAFT ANNUAL BUSINESS PLAN AND BUDGET 2023/2024

PURPOSE

Each year Council develops and adopts an Annual Business Plan (ABP) and Budget. The ABP explains the context in which the Budget has been developed, provides information on what Council plans to achieve in the coming financial year and describes how this will be funded.

This report provides to the Committee, the Council endorsed draft 2023/2024 ABP and Budget for consultation.

COMMITTEE RESOLUTION

Moved: Chair Rob Reiman

Seconded: Cr Tania Stock

That the draft 2023/2024 Annual Business Plan including the draft 2023/2024 Budget for the financial year ending 30 June 2024 be received.

CARRIED 025/2023 (07/06/2023)

Member Hussain Rafeeu sought clarification on what the total grant funding percentage is in the "Grant Funding Projects". Staff to take on notice and will provide clarification on each project and the proportion of grant funding to the committee.

Chair Rob Reiman requested staff to provide him with the supplementary report provided by ESCOSA. Staff to forward on as requested.

4.16pm – Mayor Darren Braund left the meeting

4.19pm – Mayor Darren Braund returned to the meeting.

9 NEW AND EMERGING RISKS / ISSUES

Cr Tania Stock advised the committee of an incident that had recently occurred, where an email was sent to a member of the public by a council employee by mistake. It was unfortunate the addressee currently has a conflict of interest with council, to which this incident was made public knowledge via social media. Director Corporate and Community Services advised it was an unfortunate mistake and human error, the email did not contain any confidential information. Council will endeavour to educate staff to be more vigilant.

10 GENERAL BUSINESS

Auditor General's Report – CWMS.

Chair Rob Reiman questioned whether the recent Auditor General's Report on Council's CWMS, would be a big resources commitment on the recommendations accepted by Council. Manager Financial Services advised the recommendations were with no enforcement but there would be an increase in time costs and steps to mature the CWMS. Staff to bring a report to the committee advising the affect it will have and will also include on the internal audit agreed actions register.

11 NEXT MEETING

To be confirmed.

12 CLOSURE

The Meeting closed at 4.50pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 29 August 2023.

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CHAIRPERSON