



MINUTES

Audit and Risk Committee Meeting

(Subject to confirmation)

31 October 2023

**MINUTES OF YORKE PENINSULA COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, MINLATON TOWN HALL, 57 MAIN STREET, MINLATON
ON TUESDAY, 31 OCTOBER 2023 AT 3:00PM**

1 WELCOME BY CHAIRPERSON

Chair Rob Reiman welcomed everyone to the meeting and declared the meeting open.

2 PRESENT

Chair Rob Reiman, Cr Adam Meyer, Cr Tania Stock, Member Hussain Rafeeu (via Microsoft Teams)

In Attendance

Mayor Darren Braund, Andrew Cameron (CEO), Ben Thompson (Director Corporate & Community Services), Daniel Griffin (Manager Financial Services), Chloe Brown (Accountant – Financial Management), Charith Wishwanath (Accountant – Financial Operations), Adele Wyatt (Executive Services Support Officer) and Natalie McDonald (Minute Secretary)

3 LEAVE OF ABSENCE

Nil

4 APOLOGIES

Amanda Pitt (Business Improvement Officer), 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.

6 MINUTES OF PREVIOUS MEETING – FOR CONFIRMATION**COMMITTEE RESOLUTION**

Moved: Member Hussain Rafeeu

Seconded: Cr Adam Meyer

That the minutes of the Audit and Risk Committee Meeting held on 5 September 2023 be confirmed.

CARRIED 041/2023 (31/10/2023)

COMMITTEE RESOLUTION

Moved: Cr Adam Meyer

Seconded: Cr Tania Stock

That the minutes of the Confidential Audit and Risk Committee Meeting held on 5 September 2023 be confirmed.

CARRIED 042/2023 (31/10/2023)

7 VISITORS TO THE MEETING

Chair Rob Reiman welcomed Sarah Beesley (new Audit and Risk Committee Member as at 30 November 2023) to the meeting via Microsoft Teams.

Chair Rob Reiman welcomed David Papa and Matthew Brunato from Bentleys who spoke to Item 8.1 – Audited Financial Statements 2022/2023 via Microsoft Teams.

3.05pm – Presentation commenced

3.31pm – Presentation concluded

REPORTS

8 NEW BUSINESS

8.1 AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS 2022/2023

PURPOSE

To present Council's 2022/2023 audited General Purpose Financial Statements and management representation letter for the Committee's information and consideration.

COMMITTEE RESOLUTION

Moved: Cr Tania Stock

Seconded: Cr Adam Meyer

That the Audit and Risk Committee:

1. Endorse the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to sign the Certification of Auditor Independence;
2. Receive and note the Management Representation Letter to be signed by the Chief Executive Officer and the Manager Financial Services and provide to the Auditor;
3. Recommend to Council that the audited General Purpose Financial Statements for the year ended 30 June 2023 be endorsed; and
4. Receive and note the Audit Management Letter provided by Bentleys SA Audit Partnership for the year ended 30 June 2023.

CARRIED 043/2023 (31/10/2023)

Chair Rob Reiman requested a report from staff with leave set out more specifically and giving a more detailed analysis. Member Hussain Rafeeu agreed with the request.

Manager Financial Services to prepare a more detailed report.

COMMITTEE RESOLUTION

Moved: Cr Adam Meyer

Seconded: Member Hussain Rafeeu

SECTION 90 ORDER

That pursuant to Section 90(2) of the Local Government Act 1999, the Committee orders the public and staff be excluded from the meeting with the exception of Mr David Pappa and Mr Matthew Brunato from Bentleys, on the basis that the Committee considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss or consider in confidence Agenda

Item 8.1 Audited General Purpose Financial Statements 2022/2023 and that the Committee is satisfied with the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to the matter under consideration because the information is of the nature specified in Subsection 90(3)(d)(i)&(ii) of the Local Government Act 1999, being information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead) and could impact the commercial reputation of the External Audit partner.

CARRIED UNANIMOUSLY 044/2023 (31/10/2023)

3.18pm - Andrew Cameron (CEO), Ben Thompson (Director Corporate & Community Services), Daniel Griffin (Manager Financial Services), Chloe Brown (Accountant – Financial Management), Charith Wishwanath (Accountant – Financial Operations), Adele Wyatt (Executive Services Support Officer), Natalie McDonald (Minute Secretary) and Sarah Beesley (via Microsoft Teams) left the meeting and the Chamber was secured.

3.31pm - Andrew Cameron (CEO), Ben Thompson (Director Corporate & Community Services), Daniel Griffin (Manager Financial Services), Chloe Brown (Accountant – Financial Management), Charith Wishwanath (Accountant – Financial Operations), Adele Wyatt (Executive Services Support Officer), Natalie McDonald (Minute Secretary) and Sarah Beesley (via Microsoft Teams) returned to the meeting.

COMMITTEE RESOLUTION

Moved: Cr Adam Meyer

Seconded: Cr Tania Stock

MEETING RETURN TO OPEN MEETING

Chair Rob Reiman advised that a Motion was required to return to open meeting.

CARRIED 045/2023 (31/10/2023)

8.2 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.

CARRIED 046/2023 (31/10/2023)

8.3 CYBER SECURITY - PENETRATION TESTING OCTOBER 2023

PURPOSE

To inform the Audit and Risk Committee of the outcomes, and subsequent remediation actions, relating to Council's recent independent cyber security penetration testing and risk assessment.

COMMITTEE RESOLUTION

Moved: Cr Tania Stock
Seconded: Cr Adam Meyer

That the report be received.

CARRIED 047/2023 (31/10/2023)

Discussion ensued with Chair Rob Reiman requesting an update on internal activities in progress.

8.4 INTERNAL AUDIT ACTIVITY REPORT

PURPOSE

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

COMMITTEE RESOLUTION

Moved: Member Hussain Rafeeu
Seconded: Cr Adam Meyer

That the report be received.

CARRIED 048/2023 (31/10/2023)

Manager Financial Services introduced the report.

Chair Rob Reiman noted there were 77 controls tested this round as opposed to the last round of approximately 30, and asked whether this was the first round of testing for the new Better Practice Model Program of 220 controls.

Director Corporate and Community confirmed this to be the case.

Manager Financial Services advised increased frequency is in consideration of associated risk ratings.

Member Hussain Rafeeu queried the agreed action around the IT Disaster Recovery Plan, due December 2023 and a timeframe in terms of closing the action.

Director Corporate and Community replied that a number of projects were taking priority. Information is there, just constructing the plan. Now that ERP has been endorsed, they will have a period of time to continue.

8.5 POLICY REVIEW - PO008 BAD DEBTS - DELEGATION OF AUTHORITY**PURPOSE**

To seek endorsement for the proposed updated PO008 Bad Debts – Delegation of Authority Policy.

COMMITTEE RESOLUTION

Moved: Cr Tania Stock
Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee endorse the proposed updated PO008 Bad Debts – Delegation of Authority Policy to Council and that it be adopted as presented.

CARRIED (3 VOTES TO 1) 049/2023 (31/10/2023)

Manager Financial Services introduced report.

Considerable discussion ensued in relation to the CEO write off limit. Cr Adam Meyer could recall in 2019 when an increase to the write off limit was taken to Council, and doesn't think there would be an appetite for an increase and would like to leave it at \$1,000 – does not see need to increase. Is happy for other changes within the Policy.

Cr Tania Stock could also recall the 2019 discussion and would also like to see \$1,000 remain.

Chair Rob Reiman stated he was surprised we're debating this as many councils have a \$5,000 limit for the CEO write off and given that Elected Members are directors and this is a day to day operational issue. He further suggested that Council should have the confidence in the CEO to write off such small sums particularly given his delegations for expenditures. He strongly favoured the change to a \$1,300 limit.

Cr Adam Meyer sought Member Hussain Rafeeu's opinion re other councils.

Member Hussain Rafeeu stated that it was subject to council depending on size and diversity and agreed with Chair Rob Reiman. He suggested \$1,300 is not a big number. Write off should be last resort. Robust collection process is required. Is indifferent.

Cr Adam Meyer stated he was flexible. Happy to go to chamber and say this is the industry standard.

Upon further discussion and Member Hussain Rafeeu noting there were no write off of bad debts in the previous year, the meeting voted to retain the \$1,000 write off limit.

Chair Rob Reiman voted against the motion.

8.6 POLICY REVIEW - PO089 ELECTED MEMBER ALLOWANCES AND BENEFITS POLICY**PURPOSE**

To seek Audit and Risk Committee's endorsement of the updated PO089 Elected Member Allowances and Benefits Policy.

COMMITTEE RESOLUTION

Moved: Cr Adam Meyer
Seconded: Cr Tania Stock

That the Audit and Risk Committee endorse the updated PO089 Elected Member Allowances and Benefits Policy, and recommend to Council that it be adopted as presented.

CARRIED 050/2023 (31/10/2023)

9 NEW AND EMERGING RISKS / ISSUES

Nil

10 GENERAL BUSINESS

Nil

11 NEXT MEETING

Tuesday 5 December 2023

12 CLOSURE

The Meeting closed at 4.20pm.

The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 5 December 2023.

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CHAIRPERSON