



# **MINUTES**

## **Audit and Risk Committee Meeting**

(Subject to confirmation)

**5 December 2023**

**MINUTES OF YORKE PENINSULA COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER , MINLATON TOWN HALL, 57 MAIN STREET, MINLATON  
AND VIA MICROSOFT TEAMS ON TUESDAY, 5 DECEMBER 2023 AT 3:04PM**

**1 WELCOME BY CHAIRPERSON**

Chair Rob Reiman welcomed everyone to the meeting, specifically Independent Member Sarah Beesley to her first meeting on the Audit and Risk Committee, and declared the meeting open.

**2 PRESENT**

Via Microsoft Teams - Chair Rob Reiman, Cr Tania Stock, Member Hussain Rafeeu, Member Sarah Beesley. At the Council Chamber – Cr Adam Meyer.

**In Attendance**

Via Microsoft Teams - Mayor Darren Braund, Andrew Cameron (CEO), Daniel Griffin (Manager Financial Services), Michael McCauley (Asset Manager), Bobbi Pertini (Manager People, Culture and Safety). At the Council Chamber - Ben Thompson (Director Corporate and Community Services) and Lauren McSkimming (Minute Secretary).

**3 LEAVE OF ABSENCE**

Nil

**4 APOLOGIES**

Amanda Pitt (Business Improvement Officer)

**5 CONFLICT OF INTEREST**

Chair Rob Reiman reminded all 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 31 October 2023 be confirmed.

**CARRIED 051/2023 (5/12/2023)**

**7 VISITORS TO THE MEETING**

Nil

**REPORTS****8 NEW BUSINESS****8.1 AUDIT AND RISK COMMITTEE WORK PLAN 2023****PURPOSE**

To consider and endorse an updated work plan for 2023.

**COMMITTEE RESOLUTION**

Moved: Cr Tania Stock

Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee endorse the updated 2023 Work Plan.

**CARRIED 052/2023 (5/12/2023)**

**8.2 AUDIT AND RISK COMMITTEE ANNUAL REVIEW AND SELF ASSESSMENT 2023****PURPOSE**

For the Audit and Risk Committee to review and self-assess its performance for the 2023 calendar year, in accordance with clause 13 of the Audit and Risk Committee Terms of Reference.

**COMMITTEE RESOLUTION**

Moved: Cr Tania Stock

Seconded: Member Sarah Beesley

That the Audit and Risk Committee endorse:

1. The 2023 Audit and Risk Committee self-assessment results as presented; and
2. The 2024 Audit and Risk Committee work plan as presented.

**CARRIED 053/2023 (5/12/2023)**

*Member Sarah Beesley commented that the self-assessment was really positive and good comments were provided. Sarah queried what the process was for any issues that might arise from the self-assessment process and Chair Rob Reiman explained that the self-assessment comments will be presented to Council for review at its next meeting.*

*The committee noted Councillor Tania Stock's response to comments in the self-assessment regarding the timing of the appointment of a third independent member to the committee*

*Chair Rob Reiman queried activity 3.3 Results of LGRS Risk Profiling Review, in the Audit and Risk Committee Work Plan 2024-2025 as there wasn't a particular timeline marked. Manager People Culture and Safety advised a report on this activity will be presented to the Audit and Risk Committee (Committee). The Chair requested staff to mark a meeting date on the Work Plan and not leave it blank so that the committee can follow up on its progress*

*Considerable discussion ensued around the new legislation requirements of an Internal Audit Function under section 125A of the Local Government Act 1999.*

*Manager Financial Services advised the committee that he had attended the Local Government Financial Management Group Conference where this matter was discussed. There is no definition in the legislation as to specifically what an internal audit function is and there has been limited information and guidance from the LGA as to how Councils proceed with the new requirements. Chair Rob Reiman also commented and raised concerns on the process as to how reports from an internal auditor made directly to the committee would be handled as he has seen no guidance or information from the LGA regarding this issue.*

*Chief Executive Officer advised the Committee if they wanted to go down this path and appoint someone, it would have to be either an independent external function or Council will need to hire a person to fill this role as, based on current staffing resources, there's no one to fill the role on a full time basis.*

*Member Hussain Rafeeu advised the committee that his main concern was that Council was not in breach of the legislation and he would circulate to members a recent LGA communication on the reforms.*

*Chair Rob Reiman stated there has been limited guidance, information and direction from the LGA at this time, and as there could be no resolution or conclusion to the matter, wound up discussion on this issue and suggested it be followed up at the next meeting pending further guidance and information from the LGA.*

### **8.3 SEPTEMBER QUARTERLY BUDGET REVIEW 2023-2024**

#### **PURPOSE**

To receive Council's endorsed September quarterly budget review (as at 30 September 2023) for Council's 2023/2024 budget and associated financial statements, ratios and changes.

#### **COMMITTEE RESOLUTION**

Moved: Member Hussain Rafeeu

Seconded: Member Sarah Beesley

That the Audit and Risk Committee receive Council's endorsed 2023/2024 September 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 054/2023 (5/12/2023)**

*Member Hussain Rafeeu sought clarification on the major impact in reference to the Financial Assistance Grant (FAG) in the report. Manager Financial Services provided comment that it's hard to estimate the FAG and they're recognised as income on receipt.*

*Member Sarah Beesley asked staff for history on this report. Manager Financial Services, Director Corporate and Community Services and Chair Rob Reiman to meet and discuss the history with Member Sarah Beesley preceding the Audit and Risk Committee meeting in February 2024.*

**8.4 INTERNAL AUDIT PLANNING 2024-2026****PURPOSE**

To seek endorsement of the Internal Audit Plan for 2024 – 2026.

**COMMITTEE RESOLUTION**

Moved: Cr Adam Meyer

Seconded: Cr Tania Stock

That the Audit and Risk Committee endorses the three-year Internal Audit Plan for 2024 - 2026.

**CARRIED 055/2023 (5/12/2023)**

**8.5 ASSET MANAGEMENT UPDATE****PURPOSE**

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

**COMMITTEE RESOLUTION**

Moved: Member Hussain Rafeeu

Seconded: Cr Adam Meyer

That the report be received.

**CARRIED 056/2023 (5/12/2023)**

**8.6 REPORT ON EXCESS ANNUAL LEAVE ENTITLEMENTS****PURPOSE**

To provide an update to the Audit and Risk Committee on the current annual leave management processes.

**COMMITTEE RESOLUTION**

Moved: Cr Tania Stock

Seconded: Member Sarah Beesley

That the report be received.

**CARRIED 057/2023 (5/12/2023)**

*Member Sarah Beesley queried the dollar value on the liability of staff having excess leave. Manager Financial Services provided the Committee with dollar figures for the last two financial years. Chair Rob Reiman commented that there is assurance and confidence that the issue is being addressed.*

*Councillor Adam Meyer suggested a solution following an effective operation within his workforce, where management have a meeting with staff and work out their leave for the following year so it's arranged and not conflicting with other staff. This ensures the build-up of leave does not occur. Staff to consider.*

**9 NEW AND EMERGING RISKS / ISSUES**

- Sustainability Standards – The Australian Accounting Standards Board (AASB) have recently released draft Australian Accounting Sustainability Reporting Standards (ASRS) which will likely require system and process changes for Council in the future.
- New Technology (Artificial Technology in Finance Teams) – presentation highlighting the benefits and cautions in relation to use of this new technology for Council Finance Teams.
- Optus outage and Westpac (communications and banking) – large reliance on technology for business continuity.

**10 GENERAL BUSINESS**

*Chair Rob Reiman advised the Committee and staff that the reporting requirements, as per Section 126 of the Local Government Act 1999, have changed and a report is to be provided to the Council after each meeting summarising the work of the Committee during the period preceding the meeting and the outcome of the meeting. Chair Rob Reiman suggested that due to no guidance as to what detail is to be included in such report, that the report staff currently provide to Council, which includes the minutes of the meeting and commentary, is sufficient. Members were in agreement that unless further guidance comes from the LGA, staff will continue to provide the minutes, with commentary, to Council as per current practice.*

*Chair Rob Reiman extended season's greetings to everyone and wished all the very best for the festive season.*

**11 NEXT MEETING**

Tuesday 27 February 2024

**12 CLOSURE**

**The Meeting closed at 4.10pm**

**The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 27 February 2024.**

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**CHAIRPERSON**