



# **MINUTES**

## **Audit and Risk Committee Meeting**

(Subject to confirmation)

**28 May 2024**

**MINUTES OF YORKE PENINSULA COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER , MINLATON TOWN HALL, 57 MAIN STREET, MINLATON  
ON TUESDAY, 28 MAY 2024 AT 3:03PM**

**1 WELCOME BY CHAIRPERSON**

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

**2 PRESENT**

Chair Rob Reiman, Member Hussain Rafeeu (via Microsoft Teams), Member Sarah Beesley (via Microsoft Teams)

**In Attendance**

Ben Thompson (Director Corporate & Community Services), Chloe Brown (Accountant - Financial Management), Bobbi Pertini (Manager People, Culture & Safety), Michael McCauley (Assets Manager), Amanda Pitt (Business Improvement Officer), Mary Herrmann (Governance Officer), Adele Wyatt (Executive Services Support Officer), Lauren McSkimming (Minute Secretary).

**3 LEAVE OF ABSENCE**

Cr Adam Meyer

**4 APOLOGIES**

Cr Tania Stock, Mayor Darren Braund, Andrew Cameron (CEO), Daniel Griffin (Manager Financial Services)

**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: Chair Rob Reiman

Seconded: Member Hussain Rafeeu

That the minutes of the Audit and Risk Committee Meeting held on 27 February 2024 be confirmed.

**CARRIED 018/2024 (28/05/2024)**

**7 VISITORS TO THE MEETING**

David Papa – Bentleys – Spoke to Agenda Items 8.1 External Auditor Audit Plan 2023/2024 and 8.2 External Interim Report of Audit Finding 2023/2024 via Microsoft Teams.

**REPORTS****8 NEW BUSINESS****INSERTION OF LATE ITEM 8.20 – DRAFT ANNUAL BUSINESS PLAN AND BUDGET 2024/2025****COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman  
Seconded: Member Sarah Beesley

That the Audit and Risk Committee strike item 8.17 – Policy Review – PO035 Property Numbering Policy from the Agenda and approve the insertion of late item 8.20 – Draft Annual Business Plan and Budget 2024/2025 into the Agenda.

**CARRIED 019/2024 (28/05/2024)**

**8.1 EXTERNAL AUDITOR AUDIT PLAN 2023/2024****PURPOSE**

To inform the Audit and Risk Committee with regards to the External Auditor's audit plan for the 2023/2024 financial year ended 30 June 2024.

**COMMITTEE RESOLUTION**

Moved: Member Hussain Rafeeu  
Seconded: Member Sarah Beesley

That the report be received.

**CARRIED 020/2024 (28/05/2024)**

*Independent Member Hussain Rafeeu sought clarification on the outstanding management letter points regarding transfer of assets to capital WIP to IPPE and high level of annual leave accrued as these are not included in the Agreed Actions Register. Business Improvement Officer and Council's external auditor provided clarification.*

**8.2 EXTERNAL INTERIM REPORT OF AUDIT FINDING - 2023/2024****PURPOSE**

For the Audit and Risk Committee to consider the interim external audit management report for the year ending 30 June 2024 and responses provided by management.

**COMMITTEE RESOLUTION**

Moved: Member Hussain Rafeeu

Seconded: Member Sarah Beesley

That the Audit and Risk Committee:

1. Receive the Interim Report of Audit Finding for 2023/2024 from Bentleys; and
2. Endorse management's responses to the matters raised in the report.

**CARRIED 021/2024 (28/05/2024)**

*Independent Member Sarah Beesley queried if PO098 Waiving Development Application Fees would be coming to the September Meeting for review. Council's Accountant – Financial Management advised they would need to take this on notice and report back to the Committee.*

### **8.3 AUDIT AND RISK COMMITTEE REPORT TO COUNCIL**

#### **PURPOSE**

To seek Audit and Risk Committee endorsement on the draft Audit and Risk Committee Report to Council, summarising the work performed for the period 27 February 2024 to 27 May 2024.

#### **COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman

Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee endorse the draft Audit and Risk Committee Report to Council for the period 27 February 2024 to 27 May 2024 as presented.

**CARRIED 022/2024 (28/05/2024)**

### **8.4 AUDIT AND RISK COMMITTEE WORK PLAN 2024-2025**

#### **PURPOSE**

To consider and endorse the updated Work Plan for 2024-2025.

#### **COMMITTEE RESOLUTION**

Moved: Member Sarah Beesley

Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee endorse the updated 2024-2025 Work Plan.

**CARRIED 023/2024 (28/05/2024)**

## 8.5 INTERNAL AUDIT PLAN 2024/25 TO 2026/27

### PURPOSE

To seek endorsement of the Internal Audit Plan for 2024 – 2027.

### COMMITTEE RESOLUTION

Moved: Chair Rob Reiman

Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee endorse the three-year Internal Audit Plan for financial years 2024/25 to 2026/27.

**CARRIED 024/2024 (28/05/2024)**

*Independent Member Sarah Beesley was pleased to see a change in the Internal Audit Plan timelines and that it's now in line with the Audit and Risk Committee Work Plan. Member Hussain Rafeeu agreed with this comment, however, queried if there would be merit in doing an internal audit item on climate change impact. Council Staff advised the Committee a budget item was recommended to the Elected Members at the Special Council Meeting on 22 May 2024 for sustainability funding (engaging a consultant) however, this wasn't endorsed and funds were allocated elsewhere. Chair Rob Reiman advised he would be supportive of a report coming to the Audit and Risk Committee for consideration.*

## 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: Chair Rob Reiman

Seconded: Member Hussain Rafeeu

That the report be received.

**CARRIED 025/2024 (28/05/2024)**

*Independent Member Sarah Beesley commented there has been a large turnover of staff and queried if this is of concern. Manager People, Culture and Safety advised it's no of a concern as Council has had a considerable number of retirements, promotions internally and new positions created. It's not just Yorke Peninsula Council, for the whole Local Government sector it has been a busy period with staff movement.*

*Independent Member Hussain Rafeeu queried if Council are testing the adequacy of Policies and Procedures. Business Improvement Officer advised comparison is done to other Council's but no, Council does not document the adequacy. However, this will be considered for future testing.*

*Independent Member Sarah Beesley questioned how Council is going to address having more members on the Grants Working Party then stated in the Policy. Director Corporate and Community*

*Services advised there were a couple of options and Council would amend the Policy after a decision is made.*

*Independent Member Hussain Rafeeu queried if the outstanding agreed action relating to the Information Technology Disaster Recovery Plan and if the Plan is on track to be completed by October. Director Corporate and Community Services advised the draft plan is in place and is confident it will be completed by the revised due date.*

## **8.7 COMMUNITY WASTEWATER MANAGEMENT SYSTEM INFRASTRUCTURE ASSET VALUATION**

### **PURPOSE**

To receive and endorse the Community Wastewater Management System Infrastructure Asset Valuation and Methodology Report prepared by Tonkin.

### **COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman

Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee receive and endorse the Community Wastewater Management System (CWMS) Infrastructure Asset Valuation and Methodology Report prepared by Tonkin.

**CARRIED 026/2024 (28/05/2024)**

## **8.8 STORMWATER INFRASTRUCTURE ASSET VALUATION**

### **PURPOSE**

To receive and endorse the Stormwater Infrastructure Asset Valuation and Methodology Report prepared by Tonkin.

### **COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman

Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee receive and endorse the Stormwater Infrastructure Asset Valuation and Methodology Report prepared by Tonkin.

**CARRIED 027/2024 (28/05/2024)**

**8.9 POTABLE WATER INFRASTRUCTURE ASSET VALUATION****PURPOSE**

To receive and endorse the Potable Water Infrastructure Asset Valuation and Methodology Report prepared by Tonkin.

**COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman  
Seconded: Member Sarah Beesley

That the Audit and Risk Committee receive and endorse the Potable Water Infrastructure Asset Valuation and Methodology Report prepared by Tonkin.

**CARRIED 028/2024 (28/05/2024)**

**8.10 CYBER SECURITY - PENETRATION TESTING MAY 2024****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: Chair Rob Reiman  
Seconded: Member Sarah Beesley

That the report be received.

**CARRIED 029/2024 (28/05/2024)**

*Chair Rob Reiman advised he was pleased to see the decreased number of remediated items. A considerable amount of work has been done by Council Staff.*

**8.11 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: Chair Rob Reiman  
Seconded: Member Sarah Beesley

That the report be received.

**CARRIED 030/2024 (28/05/2024)**

*Chair Rob Reiman recommended a 6 monthly report be presented to the Audit and Risk Committee as management is proactive in addressing outstanding leave balances. Independent Members Sarah Beesley and Hussain Rafeeu were supportive of this recommendation.*

#### **8.12 POLICY REVIEW - PO178 COMMUNITY EMERGENCY MANAGEMENT AND DISASTER RECOVERY POLICY**

##### **PURPOSE**

To seek endorsement of the proposed updated PO178 Community Emergency Management and Disaster Recovery Policy.

##### **COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman

Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee endorse the proposed updated PO178 Community Emergency Management and Disaster Recovery Policy and recommend to Council that it be adopted as presented.

**CARRIED 031/2024 (28/05/2024)**

#### **8.13 POLICY REVIEW - PO037 INTERNAL REVIEW OF A COUNCIL DECISION POLICY**

##### **PURPOSE**

To seek endorsement for the proposed update of PO037 Internal Review of a Council Decision Policy.

##### **COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman

Seconded: Member Sarah Beesley

That the Audit and Risk Committee endorse the proposed update of PO037 Internal Review of a Council Decision Policy.

**CARRIED 032/2024 (28/05/2024)**

#### **8.14 POLICY REVIEW - PO147 COMPLAINTS POLICY**

##### **PURPOSE**

To seek endorsement for the proposed update of PO147 Complaints Policy.

##### **COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman



Seconded: Member Sarah Beesley

That the Audit and Risk Committee endorse the proposed update of PO147 Complaints Policy.

**CARRIED 033/2024 (28/05/2024)**

#### **8.15 POLICY REVIEW - PO135 ELECTED MEMBERS TRAINING AND DEVELOPMENT**

##### **PURPOSE**

To seek endorsement of the proposed updated PO135 Elected Members Training and Development Policy.

##### **COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman

Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee endorse the proposed updated PO135 Elected Members Training and Development Policy and recommend to Council that it be adopted as presented.

**CARRIED 034/2024 (28/05/2024)**

#### **8.16 POLICY REVIEW - PO060 RATES RELIEF POLICY**

##### **PURPOSE**

To seek endorsement on the proposed updated PO060 Rates Relief Policy.

##### **COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman

Seconded: Member Hussain Rafeeu

That the Audit and Risk Committee endorse the proposed updated PO060 Rates Relief Policy and recommend to Council that it be adopted as presented.

**CARRIED 035/2024 (28/05/2024)**

*Independent Member Hussain Rafeeu queried if the General Rate Review (Agenda Item 8.19 – General Rate Review Update) was taken into consideration for this Policy Review. Councils Accountant – Financial Management advised it was not as the General Rate Review is regarding how Council raise rates, whereas the Policy is how we address ratepayers who may be experiencing hardship.*

**8.18 MARCH QUARTERLY BUDGET REVIEW 2023-2024****PURPOSE**

To receive Council's endorsed March quarterly budget review (as at 31 March 2024) of Council's 2023/2024 Budget and associated financial statements, ratios and changes.

**COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman  
Seconded: Member Sarah Beesley

That the Audit and Risk Committee received the endorsed 2023/2024 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 036/2024 (28/05/2024)**

**8.19 GENERAL RATE REVIEW UPDATE****PURPOSE**

To update the Audit and Risk Committee on endorsement of the paper 'A review of the basis of Rating Consultation Paper – Yorke Peninsula Council – May 2024' for public consultation as part of the general rate review.

**COMMITTEE RESOLUTION**

Moved: Chair Rob Reiman  
Seconded: Member Sarah Beesley

That the report be received.

**CARRIED 037/2024 (28/05/2024)**

*All Independent Members agreed the rate review paper was very well presented, easy to understand and comprehend, and congratulated everyone who had been involved with this process thus far. Council staff acknowledged that they expect a lot of community feedback and questions on the consultation paper and have put measures in place to be prepared.*

*4.19pm – Governance Officer left the meeting*

*4.22pm – Governance Officer returned to the meeting*

## 8.20 DRAFT ANNUAL BUSINESS PLAN AND BUDGET 2024/2025

### 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 it will be funded.

This report provides the Council endorsed draft 2024/2025 ABP and Budget for consultation.

### COMMITTEE RESOLUTION

Moved: Chair Rob Reiman

Seconded: Member Hussain Rafeeu

That draft 2024/2025 Annual Business Plan including the draft 2024/2025 Budget for the financial year ending 30 June 2025 be received.

**CARRIED 038/2024 (28/05/2024)**

*4.31pm – Business Improvement Officer left the meeting.*

*4.33pm – Business Improvement Officer returned to the meeting.*

## 9 NEW AND EMERGING RISKS / ISSUES

## 10 GENERAL BUSINESS

*Chair Rob Reiman expressed his concern regarding both Elected Members being absent for a second meeting in a row and a quorum being formed by only Independent Members. Also his belief that for the Audit and Risk Committee to effectively operate it is essential an Elected Member is present to balance the chamber by providing local knowledge. Chair Rob Reiman recommended Council consider a change to the Audit and Risk Committee's Terms of Reference under 5.14 – Quorum, as reflected in the resolution below. Independent Members Sarah Beesley and Hussain Rafeeu were supportive of Chair Rob Reiman's comments.*

*Independent Member Sarah Beesley queried if the Terms of Reference mentions minimum attendance at meetings. Council's Governance Officer advised she would need to take this question on notice and consider the Terms of Reference.*

### COMMITTEE RESOLUTION

Moved: Chair Rob Reiman

Seconded: Member Sarah Beesley

That the Audit and Risk Committee recommend to Council that the Audit and Risk Committee Terms of Reference under section 5.14 – Quorum, be amended to require that a quorum must include three (3) members, one (1) of whom must be an Elected Member of Council.

**CARRIED 039/2024 (28/05/2024)**

*Chair Rob Reiman passed on his sincere thanks to Council's Governance Officer, Mary Herrmann, for her contribution to the Audit and Risk Committee over the years and wished her well in her new*

role. Chair Rob Reiman also expressed his appreciation to Council Staff for the preparation of the Agenda for this meeting, it was a large agenda and it came together well.

Director Corporate and Community Services brought forward two items for General Business.

1. Chair Rob Reiman and Independent Member Hussain Rafeeu’s term is due to expire in November 2024. As such, advertisement of their positions will commence in June and both independent members are encouraged to reapply.
2. It is proposed that the next Audit and Risk Committee meeting is brought forward to either Tuesday 6 August 2024 or Tuesday 20 August 2024. Both dates are available for all independent members and email communication will be sent to the Elected Members for their availability. Council staff to send out a calendar invitation to all members once confirmed.

**11 NEXT MEETING**

To be confirmed.

**12 CLOSURE**

**The Meeting closed at 4.48pm.**

**The minutes of this meeting were confirmed at the Audit and Risk Committee Meeting held on 24 September 2024.**

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**CHAIRPERSON**