

Audit & Risk Committee Minutes

14 July 2025

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

City of Norwood Payneham & St Peters
175 The Parade, Norwood SA 5067

Telephone 8366 4555
Email townhall@npsp.sa.gov.au
Website www.npsp.sa.gov.au
Socials [f /cityofnpsp](https://www.facebook.com/cityofnpsp) [@cityofnpsp](https://www.instagram.com/cityofnpsp)



City of
Norwood
Payneham
& St Peters

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VENUE Mayors Parlour, Norwood Town Hall

HOUR 7.00pm

PRESENT

Committee Members Ms Cate Hart (Independent Member) (Presiding Member)
Mayor Robert Bria
Cr Grant Piggott
Ms Tami Norman (Independent Member)
Mr Kym Holman (Independent Member)

Staff Mario Barone (Chief Executive Officer)
Jenny McFeat (Manager, Governance)
Marina Fischetti (Governance Officer)

APOLOGIES Nil

ABSENT Nil

1. CONFIRMATION OF MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 14 APRIL 2025

Mayor Bria moved that the Minutes of the Audit & Risk Committee meeting held on 14 April 2025 be taken as read and confirmed. Seconded by Ms Tami Norman and carried unanimously.

2. PRESIDING MEMBER'S COMMUNICATION

The Presiding Member advised the Committee that she attended the 7 July 2025 Council meeting.

3. COMMITTEE MEMBER DECLARATION OF INTEREST

Nil

4. PRESENTATIONS

4.1 Strategic Risk Service Program Update

A presentation was provided by Mr Chris Sweet, Local Government Risk Services.

4.2 Payneham Memorial Swimming Centre Project Status Update

As the General Manager, Infrastructure & Major Projects was not available, this presentation was deferred until the next meeting of this Committee.

5. STAFF REPORTS

5.1 REVIEW OF FINANCIAL CONTROLS – INTERIM AUDIT

REPORT AUTHOR: Chief Financial Officer
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4585
FILE REFERENCE: qA162025
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present the Audit & Risk Committee with the *City of Norwood Payneham & St Peters Financial Controls Review Report*, that has been provided by the Council's Auditors, Galpins.

BACKGROUND

Pursuant to Section 129 of the *Local Government Act 1999* (the Act), in addition to undertaking an audit of the Council's Financial Statements, the Council's Auditor must also audit the controls exercised by the Council during the 2024-2025 financial year in relation to the receipt, expenditure, investment of money, the acquisition and disposal of property and incurring of liabilities. These audit requirements are collectively referred to as the External Audit.

In terms of the internal controls that are required to be in place, Section 125(1) of the Act provides that:

A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records.

In addition to the above, Section 125(2) of the Act and Regulation 10A of the *Local Government (Financial Management) Regulations 2011*, requires that the Council's policies, practices and procedures of internal financial control must be in accordance with the *Better Practice Model – Internal Financial Controls* approved by the Minister for Local Government.

In line with best practice, the External Audit is conducted over two sessions, an interim audit during the financial year and a final audit when the Council's Financial Statements are available. As per the *Australian Auditing Standards ASA 260*, where the Auditor conducts an interim audit, a management letter will be provided to the Council at the conclusion of interim audit, to enable any required remedial action arising from the audit to be implemented as soon as possible.

A copy of the *City of Norwood Payneham & St Peters Financial Controls Review Report* (Financial Controls Review Report) which includes the 2024-2025 Interim Management Letter, is contained in **Attachment A**.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Appropriate financial controls are fundamental to the Council's financial governance framework. Undertaking the interim audit provides the Council with an overview of the current situation and any recommendations for improvement.

CONSULTATION

- **Elected Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

Section 126(4)(c), (f) and (d) of the Act, prescribe certain functions for the Audit & Risk Committee in relation to the External Audit and the Council's internal controls.

Pursuant to Section 125(3)(b) of the Act, the Auditor is required to provide the Council with an Audit Opinion as to whether the Internal Controls are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law.

The Council's Auditor, Galpins have concluded that there is a high likelihood of issuing an unmodified controls opinion at the end of the financial year. This will depend on the Council demonstrating continued progress towards addressing identified control weaknesses, ensuring that the existing core controls in place continue to operate effectively and that the annual internal control activities are performed at year end.

In undertaking the interim External Audit, Galpins, have performed a review of procedures and processes to gain an understanding of the Council's internal controls, and performed tests on the design and effectiveness of the controls. In reviewing and testing 100 core internal controls, it has been identified that 97 are operating effectively and there are 3 recommendations for areas requiring improvement and corrective actions.

A summary of the results is provided in Table 1 below.

TABLE 1: FINANCIAL CONTROLS REVIEW SUMMARY

Business cycles	Controls Reviewed	Operating effectively			2025 Findings			
		2025	2024	2023	H	M	L	BP
General Ledger	11	11	11	8	-	-	-	-
Fixed Assets	16	16	13	13	-	-	-	1
Purchasing & Procurement /Contracting	10	7	8	7	-	3	-	-
Accounts Payable (AP)	13	13	13	12	-	-	-	-
Rates / Rates Rebates	10	10	10	8	-	-	-	-
Banking	5	5	5	4	-	-	-	-
Accounts Receivable (AR)	6	6	6	5	-	-	-	-
Credit Cards	5	5	4	1	-	-	-	-
Payroll	19	19	19	19	-	-	-	-
Receipting	5	5	5	5	-	-	-	-
Total	100	97	94	82	-	3	-	1

As outlined in the Financial Controls Review Report contained in **Attachment A**, of the 3 recommendations for areas requiring improvement and corrective actions, no weaknesses were identified as a High Risk and 3 have been identified as Moderate weaknesses.

The Moderate weaknesses are:

- Inconsistencies in the *Procurement Policy Guidelines* document and opportunities to improve its contents.
 - (Management response) - A review of the *Procurement Policy Guidelines* is currently underway and will ensure that thresholds are clear, consistently applied and aligned with best practice and internal controls. The pending recruitment of the *Procurement Officer* role will support implementation of the *Guidelines* and ongoing oversight of these improvements.
- An instance of a supplier providing services under a contract that has expired.
 - (Management response) – At the time of the audit, the contract with the supplier that was identified in the sample, was in the process of being extended (delay of the *George Street Project* for more than 1 year). The extension was signed on 15 May 2025 until June 2026.
- An instance of a supplier for which evidence of procurement procedures undertaken could not be located on file.
 - (Management response) - This Finding has highlighted the need to implement a more structured process for periodically reviewing long-standing contracts to ensure continued value for money and compliance. The Council will implement improvements to contract tracking and oversight processes will be introduced. The pending recruitment of the *Procurement Specialist/Officer* role will provide additional capacity to support these improvements.

In addition to above, the Council's Auditors have provided a best practice recommendation to formally document the principles and methodology that is applied in determining the capitalisation of salaries and wages. These principles could, for example, be incorporated within the existing *Asset Capitalisation and Depreciation Policy*. It is recommended that calculations supporting the actual capitalised wages are reviewed by an appropriate independent person to ensure the capitalisation is consistent with the policy principles / methodology.

The Council acknowledges the importance of clearly documenting the principles and methodology applied in determining the capitalisation of salaries and wages. Therefore, as part of the next scheduled review, a number of related processes including policy documentation, calculation transparency, and approvals workflow will be reviewed and amended to incorporate these recommendations.

The Chief Financial Officer has reviewed and is in agreement with the recommendations put forward in the Financial Controls Review Report. The recommendations for improvement are in the process of being implemented.

OPTIONS

Nil

CONCLUSION

Nil

COMMENTS

Nil

RECOMMENDATION

That the Audit & Risk Committee receives and notes the *City of Norwood Payneham & St Peters Financial Controls Review Report* which includes the 2024-2025 Interim Management Letter, as contained in Attachment A.

Mayor Bria moved:

That the Audit & Risk Committee receives and notes the City of Norwood Payneham & St Peters Financial Controls Review Report which includes the 2024-2025 Interim Management Letter, as contained in Attachment A.

Seconded by Cr Piggott and carried unanimously.

5.2 LOCAL GOVERNMENT RISK SERVICES RISK INCENTIVE PROGRAM FUND

REPORT AUTHOR:	Manager, Chief Executive's Office
GENERAL MANAGER:	Chief Executive Officer
CONTACT NUMBER:	8366 4539
FILE REFERENCE:	qA71199
ATTACHMENTS:	Nil

PURPOSE OF REPORT

To provide the Audit & Risk Committee with an overview of the Risk Incentive Program funding that is received by the Council through the Local Government Association Workers Compensation Scheme (LGAWCS) and the Local Government Mutual Liability Scheme (LGAMLS) and to advise how this funding is supporting the Council's Work Health and Safety (WHS) and Injury Management (IM) obligations and priorities.

BACKGROUND

Local Government in South Australia is self-insured in respect to Workers Compensation and Civil Liability. That is, Councils participate in funded schemes that are managed through the Local Government Association: the Workers Compensation Scheme (LGAWCS) and the Mutual Liability Scheme (LGAMLS).

The LGA Mutual Board has committed a combined total of \$8.4 million to the Risk Incentive Program since its inception. The Program is administered by Local Government Risk Services (LGRS) on behalf of the Board and covers both the LGAWCS and LGAMLS. The purpose of the Risk Incentive Program is to enable Member Councils to invest in targeted activities, resources, training or infrastructure that help evolve their risk profile, strengthen management systems and support continuous improvement. From a regional perspective, Members are also encouraged to engage neighbouring Councils to develop joint risk management programs that benefit from resource sharing and deliver sector consistency. LGRS communicates each Council's available balance regularly, with separate applications required for each stream.

The Council's premium that is paid to the LGAWCS, is paid in quarterly instalments and is calculated at approximately 4.25% of its annual estimated wages. The amount of Risk Incentive Program funding available under the Workers Compensation Scheme, is determined on Council's compliance with the Performance Standards for Self-Insurers and its claims record.

As a Member of the LGAWCS, the City of Norwood Payneham & St Peters receives annual Risk Incentive Program funding to support the strengthening of its Work Health and Safety (WHS) and Injury Management (IM) systems. This funding is provided in recognition of Council's commitment to maintaining a safe working environment, reducing workplace injuries and meeting the requirements of the *Work Health and Safety Act 2012 (SA)* and Council's broader risk management framework.

To receive and retain this funding, Council must demonstrate proactive progress against the Local Government Risk Services (LGRS) *WHS & IM Action Plan*, which is developed in partnership with the LGAWCS and aligned with sector expectations and legislative requirements. The funding is managed by the Manager, Chief Executive's Office and coordinated by the Council's WHS Advisor, who oversees its allocation to initiatives that directly support agreed WHS targets and continuous improvement objectives.

Each year, the Council's eligibility is confirmed through performance assessments, including compliance with the LGAWCS WHS Audit Program and demonstration of actions taken to reduce WHS risks and strengthen safe work practices.

Funds that are received through the Risk Incentive Program funding must be spent on:

- initiatives that address WHS audit recommendations or identified gaps;
- system improvements and training aligned to the WHS & IM Action Plan; and/or
- measures that strengthen the Council's overall WHS culture and legislative compliance.

Separate to the Workers Compensation component, the Council has also accessed funding under the LGAMLS stream of the Risk Incentive Program for projects that address broader liability risk management. For example, the engagement of consultants to update the St Peters Child Care Centre & Pre-School policies, demonstrates how the LGAMLS component is being used to strengthen compliance and consistency within a higher-risk operational area.

As at March 2025, the Local Government Risk Services (LGRS) has confirmed that the Council's available Risk Incentive Program balance is \$6,772.33, with a total of \$145,558.78 being allocated since the Program's inception. In addition, funding for the Mental Health & Wellbeing Program (\$7,480 incl. GST) was received in June 2024 and accounted for in the 2023–2024 financial year. The separate Preventive Health SA grant (\$7,000 ex-GST) for Automated External Defibrillators (AEDs) is not part of the Risk Incentive Program, however, remains relevant as it supports the Council's broader WHS and risk reduction approach.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

The LGRS Risk Incentive Program is designed to support Councils to invest in goods, services and infrastructure, that enhance risk management, workplace safety and injury prevention. Any unspent balance must be claimed and fully acquitted by 31 October 2025, or it will be returned to the Scheme's surplus.

The following table provides a breakdown of the LGAWCS Risk Incentive Program expenditure to date, along with the Council's remaining available balance and total funding position as confirmed by Local Government Risk Services (LGRS):

Item	Description	Amount (inc. GST)	Notes
1	Confined Space Audit	\$11,396.00	Completed, invoiced November 2024
3	Emergency Planning Audit	\$26,656.30	In progress
4	Large Plant Risk Assessment	\$35,846.60	In progress
Total		\$73,898.90	
Current Available Balance Remaining		\$6,772.33	As at March 2025
Total Risk Incentive Program Funding Allocated Since Inception		\$145,558.78	

The Large Plant Risk Assessment and Emergency Planning Audit are committed projects; expenditure will be finalised and fully acquitted in the current financial year.

No operational funds were budgeted for these items as the intent is that the Risk Incentive Program funding covers 100% of eligible expenditure.

As at March 2025, the Council's remaining Risk Incentive Program balance is \$6,772.33, which will be allocated to additional eligible WHS initiatives to ensure full use of the Risk Incentive Program before the 31 October 2025, claim deadline.

The Council's WHS Advisor, supported by the Manager, Chief Executive's Office, is working to identify and finalise eligible activities to ensure the full use of this available funding within the required timeframe.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

Key Risks Identified:

1. Failure to use the allocated Risk Incentive Program funds in line, with Scheme requirements, may affect the Council's eligibility for future rebates and expose the Council to avoidable costs.
2. Non-compliance with the WHS & IM Action Plan and audit findings could increase the risk of workplace incidents and related claims.
3. Delays in closing out high-risk actions could undermine the Council's WHS performance and reputation.

The above risks are assessed as moderate to high, if left untreated. Current controls ensure that the Council is meeting its obligations, tracking delivery through the Monitoring Tool and allocating funds to actions that directly reduce workplace risks.

Risk Controls:

- Ongoing oversight of the Risk Incentive Program funding account by the Council's WHS Advisor, supported by the Manager Chief Executive's Office.
- Clear commitment to finalise all committed works (Large Plant and Emergency Planning) within this financial year to meet the 31 October 2025 claim deadline.

CONSULTATION

- **Elected Members**
Not Applicable.
- **Community**
Not Applicable.
- **Staff**
WHS Advisor, Senior Finance Business Partner and Manager, Chief Executive's Office.
- **Other Agencies**
Local Government Risk Services (LGRS), LGA Workers Compensation Scheme representatives and Mutual Liability Scheme representatives.

DISCUSSION

This year's Risk Incentive Program demonstrates a clear link between funding and practical WHS outcomes. High-risk areas, such as working in confined spaces and safe operation of large plant, have been prioritised through specialist audits and risk assessments.

The Council's proactive approach to Emergency Planning ensures our teams and facilities remain prepared and compliant with updated legislative expectations. These initiatives complement other improvements such as the Mental Health & Wellbeing Program (prior year) and the AED grant, which further strengthen the Council's safety net for both physical and psychosocial risks.

The WHS & IM Action Monitoring Tool shows that actions funded through the Risk Incentive Program funding are aligned to agreed priorities and tracked for delivery within required timeframes. Any balance not spent will be fully allocated to additional eligible initiatives to ensure no funding is forfeited.

OPTIONS

Not Applicable.

CONCLUSION

The LGAWCS Risk Incentive Program funding remains a valuable mechanism to help the Council deliver on its WHS & IM Action Plan, address key risks, maintain audit compliance and support a safe workplace for all staff and community interactions.

COMMENTS

Not Applicable.

RECOMMENDATION

That the report be received and noted.

Ms Tami Norman moved:

That the report be received and noted.

Seconded by Cr Piggott and carried.

5.3 DRAFT RISK MANAGEMENT POLICY

REPORT AUTHOR: Manager, Governance
GENERAL MANAGER: General Manager, Governance & Civic Affairs
CONTACT NUMBER: 8366 4593
FILE REFERENCE: qA159664
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present the draft Risk Management Policy to the Audit & Risk Committee (the Committee) for consideration and comment before it is presented for adoption by the Council.

BACKGROUND

Various risk management related obligations on the Council, Chief Executive Officer and Council Audit & Risk Committees, commenced with amendments to the *Local Government Act 1999* (the Act) on 30 November 2023.

In this respect, Section 125(3) of the Act of the requires that:

'A council must ensure that appropriate policies, systems and procedures relating to risk management are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, inform appropriate decision making, facilitate appropriate prioritisation of finite resources and promote appropriate mitigation of strategic, financial and operational risks relevant to the council'.

Section 99(ia) of the Act requires that the Chief Executive Officer is required to:

'to ensure that effective policies, systems and procedures are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks'.

Section 126(4)(h) of the Act includes the following in respect to the functions of the Audit & Risk Committee:

'reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis'.

Based on the above and a review initiated through the Council's participation in the Local Government Risk Services (LGRS) Strategic Risk Services Program, the Council's *Risk Management Policy* has been updated.

The draft *Risk Management Policy* (draft Policy) is contained within Attachment A.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

DISCUSSION

As Committee Members would be aware, the Council is participating in the LGRS Strategic Risk Services Program (the Program). An initial step in the Program involves the review of the Council's *Risk Management Policy* and Procedure which together form the Council's Risk Management Framework.

The commencement of the aforementioned legislative obligations meant that a review of the Council's *Risk Management Policy* was timely, as the review provides an important foundational step in implementing risk management processes which are being developed through participation in the Program.

While not materially changing the information in the Council's current *Risk Management Policy*, the draft Policy includes a reordering/reformatting of information, provides definitions for key terms and includes expanded roles and responsibilities. A new Policy was therefore prepared rather than using track changes on the current *Risk Management Policy*.

The Risk Management Procedure which supports the Policy, is currently being updated and will be presented to the Committee at a later date, as part of a status report on progress of the Program.

OPTIONS

Not Applicable.

The requirement for the Audit & Risk Committee to review the draft Policy is in line with one of the legislated functions of the Committee and aligns with the purpose of the Committee to provide independent assurance to the Council on risk management and governance matters.

CONCLUSION

The draft *Risk Management Policy* as contained in **Attachment A**, provides a contemporary, structured and systematic approach to risk management, which in turn is consistent with best practice to inform and assist in good decision-making at all levels and ensures that legislative requirements are met.

RECOMMENDATION

That the Audit & Risk Committee recommends to the Council that the draft *Risk Management Policy* (as contained in Attachment A), be adopted.

Ms Tami Norman moved:

That the Audit & Risk Committee recommends to the Council that the draft Risk Management Policy (as contained in Attachment A), be adopted.

Seconded by Cr Piggott and carried.

5.4 ANNUAL REPORT ON INTERNAL AUDIT PROCESSES

REPORT AUTHOR:	Chief Executive Officer
GENERAL MANAGER:	
CONTACT NUMBER:	8366 4520
FILE REFERENCE:	qA168969
ATTACHMENTS:	Nil

PURPOSE OF REPORT

The purpose of this report is to present a report on the Council's Internal Audit processes which is required to be provided on an annual basis.

BACKGROUND

Pursuant to Section 99(ib) of the *Local Government Act 1999*, one of the legislated functions of the Chief Executive Officer, is to present a report on the Council's Internal Audit processes to the Audit & Risk Committee (the Committee), on an annual basis.

The requirement for this annual report is relatively new, having been included in the *Statutes Amendment (Local Government Review) Act 2021*, which contained extensive changes to the *Local Government Act 1999* and Regulations. The specific need for the report commenced on 30 November 2023.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

EXTERNAL ECONOMIC IMPLICATIONS

Not Applicable.

SOCIAL ISSUES

Not Applicable.

CULTURAL ISSUES

Not Applicable.

ENVIRONMENTAL ISSUES

Not Applicable.

RESOURCE ISSUES

Not Applicable.

RISK MANAGEMENT

The report is a legislated requirement in accordance with the *Local Government Act 1999*.

CONSULTATION

- **Committee Members**
Committee Members are provided with regular Internal Audit updates and presented with reports prepared as part of an Internal Audit.
- **Community**
Not Applicable.
- **Staff**
Not Applicable.
- **Other Agencies**
Not Applicable.

DISCUSSION

The following information as set out below, is provided to satisfy the legislative requirement to report on the Council's Internal Audit Processes.

Introduction

While not mandatory, the Council has an Internal Audit function. Internal Audit recommendations form an important component of the Council's assurance and continuous improvement approach.

The Internal Audit function is best described as a formalised, objective review, evaluation and advisory process, that seeks to add value and improve the Council's operations in terms of efficiency and effectiveness. Internal Audits tend to be scoped to determine how well the Council aligns to legislative requirements, Policies and Procedures, Standards and/or best practice, and providing "best value" to the community.

Primary responsibility for the Internal Audit Function

Section 125A of the Act, prescribes that prior to assigning primary responsibility for the Internal Audit function to an employee of the Council (or appointing a person to be primarily responsible for the function), the Chief Executive Officer must consult with the Audit & Risk Committee.

At the Meeting held on 10 February 2025, I satisfied the requirements of this consultation, by advising the Committee that responsibility for managing the Internal Audit program and therefore the '*person primarily responsible for the internal audit function*' is the General Manager, Governance & Civic Affairs.

The General Manager, Governance & Civic Affairs was and will continue to ensure that any reports associated with the Internal Audit function, and any matters relating to the function more generally, are provided directly to the Committee.

Role of the Audit & Risk Committee

Section 126(4)(g)(i)(A) requires that the Committee provide oversight of the planning and scoping of the Internal Audit Work Plan (the Plan).

The Committee has been provided with an update on the preparation of the Plan at its Meeting held on 10 February 2025 and the Plan was subsequently endorsed at the Committee Meeting held on 14 April 2025.

The Plan was prepared in a consultative manner by the General Manager, Governance & Civic Affairs and Bentleys (SA) Pty Ltd, who have been contracted to undertake the Internal Audits until 30 June 2027.

Due to other foundational activities being undertaken across the organisation in relation to risk management and governance, only one Internal Audit was scheduled for the 2024-2025 Financial Year.

I confirm that the Internal Audit of the Council's Business Continuity Management, will be completed shortly. The delay in completing this project is due to additional stakeholder engagement meetings being scheduled which will result in a more thorough review of the adequacy of the Council's practices and procedures to manage business continuity.

Section 126(4)(g)(i)(B) of the Act requires the Committee review and comment on reports provided by the person primarily responsible for the Internal Audit function on at least a quarterly basis. On completion of the Internal Audit of the Business Continuity Management, the General Manager, Governance & Civic Affairs will present a report and findings to the Committee.

Section 126(4)(c) of the Act requires (among other matters) the Committee to monitor the responsiveness of the Council to recommendations arising from Internal Audits. Previous Internal Audit findings (prior to the current Financial Year) have been addressed at the time the report was presented or within specific subject matter reports. While that is appropriate, a process for reporting on any outstanding recommendations for improvement whether in relation to an Internal or External Audit, will be embedded over the 2025-2026 Financial Year.

Internal Audit practices

In consultation with the Council through the General Manager, Governance & Civic Affairs and Manager, Governance, Bentleys (SA) Pty Ltd provide a thorough Internal Audit process.

It is clear that the required time is taken at the beginning of an Internal Audit to appropriately scope and schedule the Internal Audit, and regular client engagement meetings are held to keep the Internal Audit on track. The Internal Audit partner(s) from Bentleys (SA) Pty Ltd will present findings to the Committee if needed at the direction of the General Manager, Governance & Civic Affairs.

OPTIONS

Not Applicable, the report is presented for information only.

CONCLUSION

This report contains a summary of the Council's Internal Audit processes. The requirement for the Audit & Risk Committee to receive a report on the Council's Internal Audit processes is a mandatory requirement of Section 99(ib) of the Act.

RECOMMENDATION

That the report be received and noted.

Mayor Robert Bria declared a general conflict of interest in this matter as his sister-in-law is an employee of Bentleys (SA). Mayor Bria advised that he would remain in the meeting and take part in the discussion and voting regarding this matter.

Ms Tami Norman moved:

That the report, satisfying the CEO's responsibility under Section 99(1)(ib) of the Local Government Act 1999 be received and noted.

Seconded by Mr Kym Holman and carried.

Mayor Bria voted in favour of the motion.

5.5 DRAFT ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE

REPORT AUTHOR: Manager, Governance
GENERAL MANAGER: General Manager, Governance & Civic Affairs
CONTACT NUMBER: 8366 4593
FILE REFERENCE:
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present the draft *Audit & Risk Committee Annual Report* to the Committee for endorsement.

BACKGROUND

Section 126(8)(b) of the *Local Government Act 1999* (the Act), requires a Council's Audit & Risk Committee to provide an Annual Report to the Council on the work of the Committee during the preceding financial year. In accordance with Section 126(9) of the Act, the Council must ensure that the Annual Report of the Committee is included in the Council's Annual Report.

A copy of the draft *Audit & Risk Committee Annual Report* is contained within Attachment A.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

DISCUSSION

The *Audit & Risk Committee Annual Report* (the Annual Report) highlights that the Committee has performed its functions in accordance with the legislated requirements and its Terms of Reference as set by the Council. The Annual Report provides a summary of the work that has been undertaken by the Audit & Risk Committee during the 2024-2025 financial year, to fulfill the Committee's purpose and function.

OPTIONS

Not Applicable. The requirement for the Audit & Risk Committee to provide an Annual Report to the Council is a mandatory requirement of Section 126(8)(b) of the Act. To ensure that the Committee's Annual Report is included in the Council's Annual Report in accordance with Section 126(9) of the Act, the Committee must approve its Annual Report at this meeting.

CONCLUSION

The draft *Audit & Risk Committee Annual Report* as contained in **Attachment A**, provides a summary of the work of the Council's Audit & Risk Committee for the 2024-2025 Financial Year and meets the Committee's legislative obligation to report to the Council annually in accordance with Section 128(8)9b) of the Act.

RECOMMENDATION

1. That the *2024-2025 Audit & Risk Committee Annual Report* (as contained in Attachment A), be approved.
 2. The *Audit & Risk Committee* notes that the *2024-2025 Annual Report* will be included in the Council's 2024-2025 Annual Report.
-

Mayor Bria moved:

1. *That the 2024-2025 Audit & Risk Committee Annual Report (as contained in Attachment A), be approved.*
2. *The Audit & Risk Committee notes that the 2024-2025 Annual Report will be included in the Council's 2024-2025 Annual Report.*

Seconded by Mr Kym Holman and carried.

5. CONFIDENTIAL REPORTS
Nil

6. OTHER BUSINESS
Nil

7. NEXT MEETING
Monday 13 October 2025

8. CLOSURE

There being no further business the Presiding Member declared the meeting closed at 8.05pm.

Ms Cate Hart
PRESIDING MEMBER

Minutes Confirmed on _____
(date)