Audit & Risk Committee Meeting
Minutes

13 July 2026

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
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City of Norwood Payneham & St Peters

The Presiding Member declared the meeting open at 6.00pm.

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) Lisa Mara (General Manager, Governance & Civic Affairs) Jenny McFeat (Manager, Governance) Natalia Axenova (Chief Financial Officer) Nick Carr (Manager, Assets & Projects) Jordan Ward (Manager, Traffic & Integrated Transport) Marina Fischetti (Governance Officer)
APOLOGIES	Nil

1 CONFIRMATION OF MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD ON 13 APRIL 2026

Cr Piggott moved:

That the Minutes of the Audit & Risk Committee Meeting held on 13 April 2026 be taken as read and confirmed.

Seconded by Ms Tami Norman and carried unanimously.

2 PRESIDING MEMBER'S COMMUNICATION

The Presiding Member advised that on 22 June 2026 she attended the Beyond Compliance: 2026 Audit & Risk Chairs Forum, hosted by the Local Government Association of South Australia.

3 COMMITTEE MEMBER DECLARATION OF INTEREST

Cr Piggott declared an interest in relation to Item 5.4.

4 PRESENTATIONS

Nil

5 STAFF REPORTS

5.1 REVIEW OF FINANCIAL CONTROLS - AUDIT OPINION BY COUNCIL'S AUDITOR

REPORT AUTHOR: Chief Financial Officer
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to present the *City of Norwood Payneham & St Peters Financial Controls Review Report*, which has been submitted by the Council's Auditors, Galpins.

BACKGROUND

Pursuant to Section 129(1) 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 that are exercised by the Council during the 2024-2025 financial year in respect 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 respect to the Internal Controls, pursuant to Section 125(1) of the Act, 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 26*0, 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.

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.

A copy of the *City of Norwood Payneham & St Peters Financial Controls Review Report*, which includes the 2025-26 Interim Management Letter, is contained in **Attachment A**.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members

Not Applicable.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

Pursuant to Section 129(3)(b) of the Act, the Council's 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.

As part of the Interim Audit that has been undertaken, the Council's Auditor, Galpins, has performed a review of procedures and processes to gain an understanding of the Council's Internal Controls, specifically the controls exercised by the Council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities..

The Council's Auditor has reviewed and tested 100 core Internal Controls and the review has identified that 97 out of the 100 core Internal Controls are operating effectively, no weaknesses were identified as a High Risk, (3) have been identified as representing a Moderate Weaknesses and one (1) represents a Low Weakness.

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

TABLE 1 – Financial Controls Review Summary

Business cycles	Controls Reviewed	Operating effectively				2026 Findings			
		2026	2025	2024	2023	H	M	L	BP
General Ledger	11	11	11	11	8	-	-	-	-
Fixed Assets	16	15	16	13	13	-	1	-	-
Purchasing & Procurement /Contracting	10	9	7	8	7	-	1	-	-
Accounts Payable (AP)	13	13	13	13	12	-	-	-	-
Rates / Rates Rebates	10	10	10	10	8	-	-	-	-
Banking	5	5	5	5	4	-	1	-	-
Accounts Receivable (AR)	6	6	6	6	5	-	-	-	-
Credit Cards	5	4	5	4	1	-	-	1	-
Payroll	19	19	19	19	19	-	-	-	-
Receipting	5	5	5	5	5	-	-	-	-
Total	**100**	**96**	**97**	**94**	**82**	**-**	**3**	**1**	**-**

As outlined in the *City of Norwood Payneham & St Peters Financial Controls Review Report* contained in **Attachment A**, a total of four (4) recommendations have been provided to improve the Internal Controls.

Staff have reviewed the report and recommendations and concur with the recommendations and staff are currently in the process of implementing the recommendations.

A summary of the recommendations and the actions that are being undertaken are set out below.

Moderate Risk Findings (3)

- Inconsistencies in the Procurement Policy Guidelines and opportunities to improve its contents.
  - *(Management response) - A review of the Procurement Policy and Guidelines is underway. As part of this process staff awareness and training will be provided.*

- Asset records in Conquest are not automatically integrated with the GIS system.
  - *(Management response) – While there is an annual process in place, the evaluation of integrating asset records automatically into a GIS, will be considered as part of the IT Strategy-noting there is a 3 year road map for implementation of the IT Strategy.*

- Opportunity to improve the process of reviewing bank reconciliations.
  - *(Management response) – This recommendation has been implemented and the required action completed. It was achieved through a secure electronic workflow with a record and digital audit trail.*

Low Risk Findings (1)

- Council's 'Purchase Card Policy' is overdue for review
  - *(Management response) - A review of the Council's Credit Card Policy has been completed and will be presented to the Audit & Risk Committee at this meeting.*

The Auditors 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.

OPTIONS

Not Applicable.

This report is provided for information purposes only.

CONCLUSION

In addressing the requirements of Section 129 of the Act, Galpins have reviewed a prioritised list of controls from the *Better Practice Model – Internal Financial Controls*.

The *City of Norwood Payneham & St Peters Financial Controls Review Report* is now presented to the Audit & Risk Committee for review, in keeping with the Committee's role pursuant to Section 126(4) of the Act.

RECOMMENDATION

That the City of Norwood Payneham & St Peters Financial Controls Review Report and the 2025-2026 Interim Management Letter, as contained in Attachment A, be received and noted.

Mr Kym Holman moved:

1. *That the City of Norwood Payneham & St Peters Financial Controls Review Report and the 2025-2026 Interim Management Letter, as contained in Attachment A, be received and noted.*

2. *An update on the progress of the preparation of the Procurement Policy Guidelines will be provided at the next Audit and Risk Committee Meeting.*

Seconded by Ms Tami Norman and carried unanimously.

5.2 REVIEW OF FINANCE POLICIES

REPORT AUTHOR: Chief Financial Officer
APPROVED BY: Chief Executive Officer
ATTACHMENTS: A - G

PURPOSE OF THE REPORT

The purpose of this report is to present seven (7) finance related policies for the Audit & Risk Committee's for consideration, prior adoption of the policies by the Council.

BACKGROUND

Policies, Codes of Practice and Codes of Conduct, are important components of a Council's governance framework. Policies set directions, guide decision making and inform the community about how the Council will normally respond and act to various issues.

When a decision is made in accordance with a Council policy or code, both the decision-maker and the community can be assured that the decision reflects the Council's overall aims and principles of action.

Accordingly, policies and codes can be used in many contexts to:

- reflect the key issues and responsibilities facing a Council;
- provide a policy context and framework for developing more detailed objectives and management systems;
- guide staff and ensure consistency in delegated and day-to-day decision-making; and
- clearly inform the community of a Council's response to various issues.

It is therefore important that policies remain up to date and consistent with any position adopted by the Council.

Section 126(4)(f) of the *Local Government Act 1999* (the Act), provides that one of the functions of the Council's Audit & Risk Committee (the Committee) is:

reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.

The Council's finance related policies form a key component of the Council's financial management systems and it is therefore appropriate that the Committee consider the policies prior to their consideration for adoption by the Council.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members

Elected Members receive the Minutes from the Audit & Risk Committee Meetings and consider any recommendations that are made by the Audit & Risk Committee to the Council.

Community

Not Applicable.

Staff

Relevant staff members have reviewed the draft policies presented to the Audit & Risk Committee.

Other Agencies

Not Applicable.

DISCUSSION

A review of all finance related policies has commenced to ensure that all policies are relevant, contemporary and legislatively compliant and these policies will be presented to the Audit & Risk Committee for review prior to being presented to the Council for adoption.

To this end, the following policies have been reviewed and are now presented to the Committee for consideration:

1. Treasury Management Policy (**Attachment A**);
2. Bad Debt Write Off – General Debts Policy (**Attachment B**);
3. Prudential Management Policy (**Attachment C**);
4. Assets Capitalisation & Depreciation Policy (**Attachment D**);
5. Credit Cards Policy (**Attachment E**);
6. Financial Hardship Policy (**Attachment F**) and;
7. Receivables & Debt Recovery Policy (**Attachment G**).

Where required, the above policies have been amended to meet contemporary governance and best practice requirements while reflecting the Council's position on the respective matters.

As the proposed changes are of a minor nature, track changes have been used.
Once adopted by the Council, the policies will be formatted with numbered paragraphs. Numbered paragraphs have not been applied to the reviewed documents at this time to minimise the track changes displayed.

A brief description of each policy is provided below:

Treasury Management Policy

The *Treasury Management Policy* is an existing Council Policy which was originally adopted by the Council in 2009 and has been regularly reviewed and updated since then.

The purpose of the Policy is to guide the sound management of the Council's financial transactions in respect to borrowings and investments.

The Policy underpins the Council's decision-making regarding the financing of its operations as documented in its Long-Term Financial Plan, Annual Business Plan and Budget and projected and actual cash flow receipts and outgoings.

A copy of the draft *Treasury Management Policy* is contained within **Attachment A**.

Bad Debt Write Off – General Debts Policy

The *Bad Debts Write Off – General Debts Policy* is an existing Council Policy which was originally adopted by the Council in 2001 and has been regularly reviewed and updated since then.

The purpose of the Policy is to provide a clear, consistent and fair process in relation to the circumstances and procedure for writing-off general debts (not rate debts) which are owed to the Council.

A copy of the draft *Bad Debts Write Off – General Debts Policy* is contained within **Attachment B**.

Prudential Management Policy

The *Prudential Management Policy* is an existing Council Policy which is a legislative requirement as set out in Section 48(aa1) of the Act.

This Policy has been in place since being adopted on 5 March 2018 and has been regularly reviewed and updated since then.

The Policy provides guidance to ensure that projects are assessed with due care and diligence, including the identification and management of risks associated with the project.

Where a proposed project exceeds prescribed thresholds or meets criteria set out in the legislation, a Prudential Report must be obtained and considered before engaging in the project. The report must address the prudential issues identified in Section 48(2) of the Act and:

- financial impacts and affordability;
- funding and borrowing requirements;
- risks and mitigation strategies;
- impact on future rates and Council finances;
- strategic and community benefits; and
- long-term sustainability of the project.

The Policy has been updated to reflect the indexing provisions within the Act in relation to Section 48(1)(b)(ii). Irrespective of the threshold amount, Section 48(1) of the Act also provides that a Prudential Report may be obtained whenever the Council considers that it is necessary or appropriate.

A copy of the draft *Prudential Management Policy* is contained within **Attachment C.**

Assets Capitalisation & Depreciation Policy

The *Asset Capitalisation & Depreciation Policy* is an existing Council Policy which has been in place since 2015 and has been regularly reviewed and updated since then.

The purpose of the Policy is to provide guidance to staff in respect to the management of the Council's financial records and accounts associated with the Council's infrastructure, property, plant & equipment.

A copy of the draft *Asset Capitalisation & Depreciation Policy* is contained within **Attachment D**.

Credit Cards Policy

The *Credit Cards Policy* is an existing Council Policy which was originally adopted by the Council on 2 April 2012 and has been regularly reviewed and updated since then.

The purpose of the Policy is to provide guidance with respect to the use of Council issued Credit Cards to Council Staff.

A copy of the draft *Credit Cards Policy* is contained within **Attachment E**.

Financial Hardship Policy

The *Financial Hardship Policy* is an existing Council Policy which was originally adopted by the Council on 1 June 2020 and has been regularly reviewed and updated since then.

The purpose of the Policy is to provide guidance to ensure that outstanding debts are managed fairly and equitably and the application this policy is consistent. In applying this Policy, the Council maintains that parties who incur debts, do so in full expectation of meeting the prescribed repayment terms.

A copy of the draft *Financial Hardship Policy* is contained within **Attachment F**.

Receivables & Debt Recovery Policy

The *Receivable & Debt Recovery Policy* is an existing Council Policy which was originally adopted by the Council on 6 December 2010 and has been regularly reviewed and updated since then.

The objective of the Policy is to ensure the effective management of the organisation's receivables, to minimise credit risk and to ensure the timely recovery of outstanding debts.

A copy of the draft *Receivable & Debt Recovery Policy* is contained within **Attachment G**.

OPTIONS

The Committee can determine not to endorse the draft Policies, however as the draft Policies are required and have been prepared to meet legislative requirements and manage particular finance matters, it is recommended that the Committee endorses the draft Policies as presented.

CONCLUSION

A comprehensive financial policy framework is essential for public accountability, transparency and consistency in Council decision making.

Policies should be supported by a comprehensive set of documented procedures detailing the specific staff responsibilities and processes to be followed to give effect to the policies and ensure that sound financial management practices are in place. Without such documented financial policies and procedures, the Council could be subject to criticism, (rightly or wrongly), that their financial management framework lacks transparency, legislative compliance or does not reflect contemporary standards.

The requirement on the Council's Auditors to provide an opinion on the adequacy of the Council's internal financial controls further emphasise the need for an explicit, clearly documented, framework of policies and procedures.

RECOMMENDATION

That the Audit & Risk Committee recommends to the Council that the following policies be adopted:

1. *Treasury Management Policy (**Attachment A**);*
2. *Bad Debt Write Off – General Debts Policy (**Attachment B**);*
3. *Prudential Management Policy (**Attachment C**);*
4. *Assets Capitalisation & Depreciation Policy (**Attachment D**);*
5. *Credit Cards Policy (**Attachment E**);*
6. *Financial Hardship Policy (**Attachment F**) and;*
7. *Receivables & Debt Recovery Policy (**Attachment G**).*

Cr Piggott moved:

That the Audit & Risk Committee recommends to the Council that the following policies be adopted:

1. *Bad Debt Write Off – General Debts Policy (**Attachment B**);*
2. *Assets Capitalisation & Depreciation Policy (**Attachment D**);*
3. *Credit Cards Policy (**Attachment E**);*
4. *Financial Hardship Policy (**Attachment F**) and;*
5. *Receivables & Debt Recovery Policy (**Attachment G**).*

Seconded by Mr Kym Holman and carried unanimously.

Ms Tami Norman moved:

That the Audit & Risk Committee recommends to the Council that the following policy be adopted:

- *Treasury Management Policy (**Attachment A**).*

Seconded by Mr Kym Holman and carried.

5.3 PROGRESS UPDATE ON THE ESSENTIAL SERVICES COMMISSION OF SA LOCAL GOVERNMENT ADVICE TO THE COUNCIL

REPORT AUTHOR: Manager, Governance
APPROVED BY: General Manager, Governance & Civic Affairs
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to present the Audit & Risk Committee with a progress update on the recommendations from the *Essential Services Commission of South Australia (ESCOSA) Local Government Advice*.

DISCUSSION

Section 122 of the *Local Government Act 1999* (the Act) prescribes the requirements for all Councils in relation to Strategic Management Plans. Section 122(1b)-(1k) of the Act sets the requirements for the *Local Government Advice Scheme* (Scheme) for which ESCOSA is the 'designated authority'.

The Scheme covers a review of information relating to the Council's Long Term Financial Plan and Infrastructure and Asset Management Plans.

As discussed at the Committee Meeting held on 25 February 2026, ESCOSA published its report, *Local Government Advice City of Norwood Payneham & St Peters February 2026* (ESCOSA Advice) on 19 February 2026.

After receiving the ESCOSA Advice in February 2026, an independent report was commissioned and prepared by Ms Bennetts from LGiQ (Consultants), which was presented to the Council at its Meeting held on 5 May 2026.

As identified in the LGiQ Report, while ESCOSA highlighted that the Council was doing a number of things well to reduce the potential of being financially unsustainable, ESCOSA provided the following recommendations:

1. *Adopt a more comprehensive and transparent Long-Term Financial Plan annual review process to ensure ongoing financial sustainability and accountability.*
2. *Improve the transparency of assumptions and explicitly state the basis of preparation of Annual Business Plans, budgets and the Long-Term Financial Plan.*
3. *Consider strategically rationalising assets in consultation with the community, to reduce debt, streamline the Council's cost structure and provide the service standards that the community wants and is prepared to pay for, aiming for a more robust and sustainable position.*
4. *Improve the reporting of debt reduction targets or productivity improvements in its Long-Term Financial Plan and Annual Business Plans (as appropriate), to assure the community of how debt will be reduced.*
5. *Review its pace of development of new and upgraded assets, having regard to debt levels, rates affordability, the affordability of the stream of future operating costs created by new and upgraded assets, and the need to prioritise and fully fund asset renewal and replacement.*
6. *Disclose cost savings targets or productivity improvements in its Long-Term Financial Plan and Annual Business Plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery.*
7. *Update the costings for The Parade Masterplan project, including indexing out-years of the staged implementation, based on the detailed design and before commencing the project, and consult with the community if the new costings exceed the earlier $30 million projection.*

8. *Undertake deeper and ongoing community consultation regarding the scale, cost escalation, and long term financial impact of any future significant capital expenditure projects.*
9. *Consider providing more clarity around the risks and the impact on rates (and develop mitigation strategies) if the Council's expectations regarding its operational performance do not materialise and/or its financial strategy becomes stressed.*
10. *Consider publicly separating out the finances of the Payneham Memorial Swimming Pool Centre in the Council's overall accounts, to provide transparency on its performance and adequacy of user charges.*

A report was subsequently presented to the Council on 2 June 2026 that provided an update on the progress made in relation to the above recommendations.

Section 126(4)(b) of the *Local Government Act 1999* (the Act), prescribes that one of the functions of the Council's Audit & Risk Committee (the Committee) is to propose and provide information relevant to, a review of the Council's strategic management plans.

In addition, Section 126(4)(f) of the Act prescribes that the Committee will also review the adequacy of the Council's financial management systems and practices on a regular basis.

To support the Committee to meet its legislative functions, the report presented to the Council at its Meeting held on 2 June 2026, which provided a progress update on the recommendations from the ESCOSA Advice, is contained in **Attachment A**.

RECOMMENDATION

That the report be received and noted.

Mayor Bria moved:

That the report be received and noted.

Seconded by Ms Tami Norman and carried unanimously.

5.4 THE PAYNEHAM MEMORIAL SWIMMING CENTRE REDEVELOPMENT PROJECT - LOCAL GOVERNMENT FINANCE AUTHORITY PROGRESS REPORT

REPORT AUTHOR: Manager, Governance
APPROVED BY: General Manager, Governance & Civic Affairs
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to present the Committee with the report which was presented to the Council at its Meeting held on 7 July 2026 in relation to the *Payneham Memorial Swimming Centre Redevelopment Project – Local Government Finance Authority Progress Report*.

DISCUSSION

The purpose of the Council's Audit & Risk Committee (the Committee) is to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters.

In addition, Section 126(4) of the *Local Government Act 1999* (the Act) prescribes the functions of the Committee which includes reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.

In accordance with the Special Conditions associated with the terms of the loan provided by the Local Government Finance Authority (LGFA), the Council is required to provide the LGFA with information regarding the status of the Payneham Memorial Swimming Centre Redevelopment Project.

The report that was presented to the Council at its Meeting held on 7 July 2026, which includes the information provided to the LGFA, is contained in A**ttachment A**.

RECOMMENDATION

That the report be received and noted.

Cr Piggott declared a General Conflict of Interest regarding this matter as he is on the Board of the Local Government Finance Authority of South Australia. Cr Piggott advised that he would remain in the meeting and take part in the discussion and vote in regard to this matter.

Mr Kym Holman moved:

That the report be received and noted.

Seconded by Ms Tami Norman and carried unanimously.

Cr Piggott voted in favour of the motion.

5.5 PAYNEHAM MEMORIAL SWIMMING CENTRE - PROJECT RISKS UPDATE

REPORT AUTHOR: Manager Assets & Projects
APPROVED BY: General Manager, Urban Planning & Environment
ATTACHMENTS: Nil

PURPOSE OF THE REPORT

The purpose of this report is to provide information on the status of the "High" and "Extreme" Risks associated with the Payneham Memorial Swimming Centre Redevelopment Project and a summary of the project and financial status of the Project.

BACKGROUND

The Payneham Memorial Swimming Centre (PMSC) was first opened in 1968 by the former City of Payneham and despite several repairs and replacement of plant and equipment over the years, it reached the end of its useful life after more than 50 years of service.

On 1 December 2023, the Council appointed the preferred tenderer for the Payneham Memorial Swimming Centre Redevelopment Project, Badge Constructions SA Pty Ltd, to undertake the construction of the Payneham Memorial Swimming Centre Redevelopment.

The PMSC Redevelopment Project (the Project) is well progressed and is scheduled for completion in mid-August 2026. More detail in the project status is provided in the Discussion section of this report.

As part of the decision-making process associated with progressing the Project, the Council also considered the following recommendation from the Council's Audit & Risk Committee which was made at the meeting held on 6 December 2023.

- *the Chief Executive Officer receive monthly reports regarding the Payneham Memorial Swimming Centre Project Risks that have a residual rating of high and extreme;*

- *a report be presented on a quarterly basis to the Council's Audit & Risk Committee whilst those risks remain at high and extreme; and*

- *the Council continually diligently manages the Projects set out in the Long-Term Financial Plan and strategies to ensure that the Council's key financial indicators return to the following target levels:*

    - *Operating Surplus Ratio within 3 years, and*
    - *Net Financial Liabilities Ratio within 10 years or earlier is possible.*

In accordance with the resolution as set out above, reports were presented to the Audit & Risk Committee at its meetings held on 19 August 2024 and 15 September 2025.

The risks associated with the Project are re-assessed periodically and the most recent update is set out in this report.

STRATEGIC DIRECTIONS

***CityPlan 2030* Alignment**

Outcome 1: Social Equity
An inclusive, connected, accessible and friendly community.

Objective 1.1: Convenient and accessible services, information and facilities.

Strategy 1.1.1: Establish community hubs that integrate social support, health, recreational and commercial services, in multi-purpose spaces.

FINANCIAL AND BUDGET IMPLICATIONS

At its meeting held on 7 October 2025, the Council was provided with a report on the Project containing information on the projected cost estimate to complete the Project.

This estimate was based on the following assumptions and financial allowances:

- average monthly value of variations over the construction period to date extrapolated out to the practical completion date;
- variations approved or under review in line with estimates that have been submitted;
- extension of time claims pending review and resolution; and
- known estimates for the Design & Construct items.

On the above basis, the estimate cost to completion was noted as $63.98m (excl GST). This equates to a $3.05m (or 5%) variance to the total Project Cost of $60.93m (inclusive of contingency). The additional $3.05million was required to fund the Design & Construct items as these were redesigned to ensure the delivery of “best practice” elements.

Following consideration of the report, the Council resolved to:

.endorse a budget revision of $3.05m to the original project allocation of $60,931,400 be approved to allow completion of the project as currently scoped (including Water Slides).

As part of the Special Conditions that have been imposed by the Local Government Finance Authority (LGFA) on the loan approval for this Project, the Council is required to provide the LGFA with periodic information on the status of the PMSC Redevelopment Project.

Following consideration of the 7 October 2025 report, and Council endorsement for the budget revision, the LGFA was informed of these changes to provide assurance of the Authority’s continued support for an increase in Council’s debt levels. No concern has been raised by the LGFA.

At this point in time, the total cost to complete the Project as originally scoped, is forecast to be within the revised budget.

RISK MANAGEMENT

Project risks are being managed in accordance with the Council’s *Risk Management Policy & Procedure* and the specific Project Risk Register that has been prepared for this Project.

Further information on the Project risks is contained within the Discussion section of this report.

CONSULTATION

Elected Members

Elected Members receive the Minutes from the Audit & Risk Committee Meetings and consider any recommendations that are made by the Audit & Risk Committee to the Council.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

As at 30 June 2026, the PMSC Project was in its final stages of construction, with a revised completion date of mid-August 2026.

The main building comprising the Main Pool Hall and Pavilion are complete, with indoor pools filled and fully operational. Defect inspections have been completed and the buildings have been cleaned ready for occupation.

The external 50 metre pool has been filled and is being commissioned, the Zero-depth play area is complete and construction of the water slides is well progressed.

Landscaping and final sections of fencing are the final components of the works to be completed.

The official opening date is currently scheduled for 10 September 2026.

Risk Management update

The full Project Risk Register was presented to the Audit & Risk Committee at its meeting held on 15 September 2025. At that time there were only two risks (No.14 and No.25) with a residual risk level of High or Extreme.

As at February 2026, and as listed in **Table 1** below, these risks remain as the only two risks that have a residual risk level of High or Extreme.

TABLE 1: PAYNEHAM MEMORIAL SWIMMING CENTRE REDEVELOPMENT PROJECT RISKS

Risk #	Risk Description	Impact Level	Inherent Risk Level (Dec 2023)	Current Risk Level (Feb 2026)	Comments
14	Inadequate car parking for users following redevelopment	Financial / Reputational	High	High	Risks to be mitigated through communications with Centre users regarding car parking and access options.
25	Costs for new PMSC impacts Council's long term financial position resulting in unacceptable constraints on services / capital works	Financial	Substantial	High	Revised budget endorsed by the Council, reported to LGFA and will be factored into Council's LTFP.

Parking Access and Occupancy Management

As part of the planning and design for the upgrade of the Payneham Memorial Swimming Centre, a Traffic Impact Statement was prepared, which included a detailed assessment of the anticipated parking demand and available off-street parking availability within the broader precinct.

The parking assessment identified that parking demand associated with the new PMSC facility would be accommodated within the Payneham Memorial Swimming Centre car park (southern car park) and the Payneham Library car park (northern car park).

Upon completion of the project, the southern car park will provide 98 parking spaces, with a further 72 parking spaces available within the northern car park (a total of 170 spaces)

In addition, an independent traffic engineering consultant has been engaged to undertake a broader review of potential traffic and parking improvements associated with the PMSC. This included an assessment of the anticipated parking demand generated by the PMSC and benchmarking of parking provision against other comparable aquatic and recreation centres.

The review found that the overall parking provision available within the precinct is appropriate and generally consistent with that provided at comparable facilities. Accordingly, the proposed parking occupancy management system is not intended to address an identified deficiency in the overall supply of parking to cater for peak period use of the facility.

Aquatic and recreation facilities can experience concentrated periods of peak parking demand, particularly during major events, swimming carnivals, concurrent programs and periods of high seasonal utilisation. During these periods, demand within individual parking areas may temporarily approach or exceed the available capacity. The effective operation of the available parking supply relies on both the southern and northern car parks being utilised to accommodate demand across the broader precinct.

Traditional overflow parking arrangements generally operate sequentially, whereby motorists enter a primary car park and are directed to an adjacent or directly connected overflow parking area once capacity is reached. The parking arrangements within the PMSC operate differently.

The southern and northern car parks have historically operated as separate parking areas servicing the PMSC and Payneham Library respectively. Under the future operating arrangements, both car parks will contribute to accommodating parking demand generated across the broader precinct. However, the car parks are physically separated and are not directly connected.

As a result, motorists can enter the southern car park before becoming aware that it is at or near capacity. If the car park is at capacity, the motorist would need to exit the carpark return to the surrounding road network and travel to the northern car park. This creates the potential for unnecessary vehicle circulation, additional movements through the site access points and surrounding road network, frustration and a reduced experience for patrons.

Accordingly, providing motorists with clear and timely information regarding parking availability before entering the southern car park has been identified as a potential risk mitigation measure to improve access, traffic circulation and the overall experience for patrons.

Proposed Parking Occupancy Management System

Council staff have investigated the use of smart parking technology to provide real-time parking occupancy information to motorists approaching the precinct.

It is proposed to install in-ground parking occupancy sensors within the 98 parking spaces in the southern car park. The sensors would provide real-time information regarding parking availability, which could be displayed on the new digital pylon sign being delivered as part of the PMSC Project.

The installation of the digital pylon sign is already being progressed. Discussions undertaken with the supplier of Council's existing parking occupancy management platform and the contractor manufacturing the digital signage, have confirmed that an integrated solution is achievable.

The proposed arrangement would incorporate a dedicated component of the digital display for real-time information on parking occupancy. This would provide motorists with advance notice of the availability of parking spaces before entering the southern car park and allows users to make a more informed decision regarding whether to enter the car park or proceed directly to the northern car park.

The digital display would retain the flexibility to provide promotional messaging, wayfinding information and other Council related communications when parking occupancy information is not required. This approach would also future-proof the signage infrastructure and provide opportunities for additional parking management information to be incorporated as the precinct develops.

Operational and Strategic Benefits

The proposed parking occupancy management system, would provide a range of operational benefits beyond the provision of real-time parking availability information.

The proposal would utilise the same parking occupancy technology and management platform currently operating within Webbe Street Car Park that is owned and managed by the Council. This would allow the Council to leverage an existing technology platform, established operational processes and staff familiarity with the system.

The system provides detailed information regarding car park utilisation, including real-time and historical occupancy levels, parking durations, peak demand periods and maximum recorded lengths of stay. This information would provide Council staff with an improved understanding of parking demand and user behaviour and support evidence-based decisions regarding the future management of parking within the precinct.

The system can also assist with identifying potential parking overstays (if time limits are imposed) and support targeted parking compliance activities where demonstrated parking behaviours indicate that intervention is warranted.

Importantly, the technology is scalable and could be expanded to other Council-owned parking facilities within the precinct. This could include the northern carpark where the incidence of all-day commuter parking is experienced given the location of the bus stop on Turner Street.

The proposed system therefore provides both an immediate operational benefit associated with managing access to the upgraded swimming centre and a longer-term platform for monitoring and managing parking demand across the broader precinct.

Financial Considerations

The estimated capital cost to supply and install the parking occupancy sensors and associated equipment within the southern car park is approximately $25,000.

The capital expenditure can be accommodated within the existing PMSC budget and would therefore not require an additional capital budget allocation.

The parking occupancy management platform would, however, result in an ongoing operational cost. Based on the current supplier pricing of approximately $15 per sensor per month, the annual operational cost for the 98-space southern car park is approximately $18,000 per annum.

While the primary purpose of the system is to improve access, traffic circulation, experience for the patrons of the PMSC and the availability of parking information, the technology also provides the capability to support targeted parking compliance activities where demonstrated overstays occur.

Any revenue generated through parking compliance activities is not the primary objective of the proposal and should not be relied upon to fully offset the ongoing operational costs. However, targeted enforcement of demonstrated overstays may provide a partial offset to the annual operating costs associated with the system. infringement revenue may provide partial cost recovery in the order of **$**5,000 per annum**,** reducing the net ongoing operational cost.

Risk Mitigation and Governance Considerations

The proposed parking occupancy management system has been identified as a potential mitigation measure to address the operational risk associated with motorists being unable to readily identify available parking before entering the southern car park.

The system would not increase the overall supply of off-street parking within the precinct. Rather, it would improve the utilisation and management of the available parking supply by providing motorists with earlier information, supporting informed route choices and reducing unnecessary vehicle circulation between the two parking areas.

The proposal also provides the Council with improved data on parking utilisation to support ongoing monitoring of parking demand and inform future parking management decisions as the precinct develops

Following the Committee's consideration of this report, the matter will be referred to the Council for consideration and determination.

Irrespective of the decision regarding the proposed parking occupancy management system, other operational readiness activities associated with the PMSC will continue to be progressed by Council staff through normal project delivery processes.

Access to private parking area

As previously advised, achieving public use of the private car parking area at 196 O.G. Road, Payneham, located immediately south of the PMSC, would be advantageous to patrons and assist in alleviating potential parking pressure in the precinct.

In response to an approach from the Council in November 2025, to enter into an arrangement to use this carpark, the owner of the adjoining property declined to enter into an arrangement due to the ongoing operational requirements of the current occupant, DXC Technology.

Over the past six months, the property has been the subject of a sales process. The sale of the property is in the final stages of due diligence and it yet to be finalised. As such, the current owner is unlikely to enter into any discussions.

Once the new owners have taken possession of the property, Council staff will contact the new owner, with a view to entering into an arrangement for the use of the car park, when those spaces are not required by the new owner/tenant.

OPTIONS

Not applicable.

This report is presented for information purposes only.

CONCLUSION

Construction of the PMSC is progressing according to the agreed construction schedule and is forecast to be delivered within the revised budget. Risk and financial management continue to remain a key focus for this Project.

RECOMMENDATION

That the report be received and noted.

Mr Kym Holman moved:

That the report be received and noted.

Seconded by Cr Piggott and carried unanimously.

5.6 RISK MANAGEMENT UPDATE

REPORT AUTHOR: Manager, Governance
APPROVED BY: General Manager, Governance & Civic Affairs
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to provide the Audit & Risk Committee (the Committee) with an update on the Local Government Risk Services (LGRS) Strategic Risk Services Program and associated activities.

BACKGROUND

Section 126 (4)(h) of the Local Government Act 1999 (the Act), provides that one of the functions of a Council's Audit & Risk Committee includes the following:

'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'.

This requirement aligns with the other mandated risk management obligations on the Council and the Chief Executive Officer, namely:

- The Council's obligation pursuant to Section 125(3) of the Act which 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.'

- The Chief Executive Officer's obligations in respect to Section 99(1)(ia) of the Act which is:
  '*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*.'

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

The systemic approach to risk management that is being embedded across the organisation will ensure that the Council continues to optimise its decision-making performance, managing both potential opportunities and the adverse effects on strategic decisions, as well as daily activities and operations.

CONSULTATION

Elected Members

Elected Members receive the Minutes from the Audit & Risk Committee Meetings and consider any recommendations that are made by the Audit & Risk Committee to the Council.

Community

Not Applicable.

Staff

Senior staff have been engaged through a number of Strategic Risk and Operational Risk workshops and training sessions.

Other Agencies

Not Applicable.

DISCUSSION

At its Meeting held on 25 February 2026, the Committee received and considered a report that provided an update on the implementation the Council's Risk Management Framework that is being guided by the LGRS Strategic Risk Services Program.

As Committee Members were previously advised, while the Council has a Risk Management Framework that has been in place for many years, the implementation of the framework tended to be based on a 'siloed' approach rather than embedded consistently across the organisation.

The Council subsequently adopted an updated Risk Management Policy and Procedure which together constitute the Council's Risk Management Framework. The Risk Management Procedure is particularly important to ensure consistent processes to support an integrated, systematic approach to risk management across the organisation.

The Committee was previously provided with an update on the Council's Strategic Risks through the presentation of the Council's Strategic Risk Register at the February Meeting of the Committee. By way of an update, work is continuing on the review of the effectiveness of the controls for each of the Strategic Risks. This process will form part of the rolling review of Strategic Risks which will inform reporting through the Executive Leadership Team and to the Committee.

The Strategic Risk Report is contained in **Attachment A**.

Since the last update provided in relation to the Council's progress in the LGRS Strategic Services Program, the Operational Risks have been identified. These Operational Risks are contained in a centralised system (RelianSys) and training has been provided to staff on how to access, review and update these risks.

The Operational Risks are captured in Risk Registers separated by Department to assist with assigning the risk owner. Most risks will apply across Departments and Units and it is envisaged that embedding risk management discussions in Staff Meetings, Manager Forums and Executive Leadership Meetings, will enhance collaboration and minimise a 'silo' approach to risk management.

There are a total of 114 Operational Risks and the assigned owners (Unit Managers across the organisation) are in the process of working through the rating of these risks, as well as undertaking a review of the effectiveness of respective control measures.

While Mr Chris Sweet, Strategic Risk Consultant from LGRS, has provided extensive support to capture Strategic and Operational Risks and assigning controls to them within the Risk Registers, the initial review process that the risk owners are required to undertake is an important step that will take some time. The Strategic Risks have all been reviewed with some work remaining on the control effectiveness and approximately half of the operational risks have been reviewed.

The breakdown of the Operational Risks by Department is provided in Table 1.

TABLE 1: BREAKDOWN OF OPERATIONAL RISKS BY DEPARTMENT

Department	Current Number of Operational Risks
Chief Executive's Office	33
Community Development	17
Infrastructure & Major Projects	12
Governance & Civic Affairs	19
St Peters Child Care Centre & Preschool	8
Urban Planning & Environment	25
Total	**114**

The risks in the *Chief Executive's Officer Operational Risk Register* include risks related to finance, payroll, employee wellbeing, marketing, events, economic development, Human Resources and operational and organisational improvement.

Within the *Community Development Operational Risk Register*, risks associated with the Council's Swimming Centres, the Norwood Concert Hall, Volunteers, Public Art, facilities for hire, Cultural Heritage collection and the delivery of community services generally, are included.

The *Infrastructure & Major Projects Operational Risk Register* contains risks related to asset management, civil maintenance, tree maintenance and project management of major capital projects.

The risks contained in the *Governance & Civic Affairs Operational Risk Register* are those related to Elected Member behaviour, legislative compliance, breaches of confidentiality, community engagement, Information Technology, records management and data management.

The *St Peters Child Care Centre & Preschool Operational Risk Register* contains risks related to staff training, legislative compliance, operational costs and contractor management which are specific to the operations of the St Peters Child Care Centre & Preschool.

The *Urban Planning & Environment Operational Risk Register* contains risks related to levels of service across functions, tree management, heavy vehicle legislative compliance, development assessment legislative compliance, regulatory oversight, transport planning and commitments to reducing carbon emissions.

Unlike Strategic Risks, all of which are reported to the Committee on a regular basis, it is not envisaged that the Committee will receive reports providing an update on all operational risks. However, those risks that are rated 'Extreme' or 'High' will be reported to the Committee.

OPTIONS

Not Applicable.

This report is provided for information purposes only.

CONCLUSION

Significant progress has been made on implementing a systemic risk management framework within the organisation. Ensuring this framework is embedded in the organisation, will ensure consistent and robust risk management application and reporting.

As with the implementation of any system, the initial configuration and data entry process is time consuming, particularly when juggling other competing deadlines and priorities. However, the benefits in having a centralised system are significant and are essential to ensure a transparent, consistent and embedded approach to risk management across the organisation. In addition, this systemic approach will support the legislative compliance requirements in relation to risk management and provide assurance for the required reporting of risks to the Executive Leadership Team, the Committee and the Council.

RECOMMENDATION

That the report be received and noted.

Mayor Bria moved:

That the report be received and noted.

Seconded by Ms Tami Norman and carried unanimously.

5.7 ANNUAL REPORT OF INTERNAL AUDIT PROCESSES

REPORT AUTHOR: Manager, Governance
APPROVED BY: General Manager, Governance & Civic Affairs
ATTACHMENTS: A

PURPOSE OF THE REPORT

The purpose of this report is to present the Audit & Risk Committee with a report on the Council's Internal Audit processes for the 2025-2026 Financial Year, including updates to the 2025-2027 *Internal Audit Plan.*

BACKGROUND

Pursuant to Section 99(ib) of the *Local Government Act 1999* (the Act), 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.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

The report is a legislated requirement in accordance with Section 99(ib) of the Act.

CONSULTATION

Elected Members

Elected Members receive a report after each Meeting of the Audit & Risk Committee which includes the Minutes of the Committee Meeting and any recommendations that are made by the Committee to the Council.

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. The Internal Audit function is separate from the internal controls processes set out in Section 125 of the Act, which is a mandatory requirement for all Councils.

The Internal Audit function is best described as a formalised, objective review, evaluation and advisory process, which seeks to add value and improve Council's operations in terms of efficiency and effectiveness. Internal Audit recommendations form an important component of the Council's assurance and continuous improvement approach.

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 Committee.

While it precedes the 2025-2026 reporting period, at its Meeting held on 10 February 2025, the Committee was advised 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.

Supported by the Manager, Governance, the General Manager, Governance & Civic Affairs, takes responsibility for the management of the Internal Audit program and liaising with Bentleys (SA) Pty Ltd who have been engaged since 2022 to conduct Internal Audit services for the Council. The current contract with Bentleys expires 30 June 2027.

Prior to commencing an Internal Audit process, Internal Audits are scoped to determine how the Internal Audit will be undertaken and the relevant parameters including how well the Council aligns to relevant legislative requirements, Policies and Procedures, Standards and/or best practice and importantly, providing "best value" to the community.

During the 2025-2026 Financial Year, the General Manager, Governance & Civic Affairs has ensured that reports associated with the Internal Audit function and any matters relating to the function more generally, are provided directly to the Committee.

Completed Internal Audits 2025-2026

Based on the current Internal Audit Plan, two Internal Audits were completed in 2025-2026. The reports for both Internal Audits were presented to the Committee as required by Section 125A(2)(a) of the Act.

The *Business Continuity Management Internal Audit Report* (BCM Internal Audit) was received and considered by the Committee at its Meeting held on 13 October 2025.

The BCM Internal Audit identified that the Council's BCM framework is conceptually sound however the following specific areas that have been recommended for improvement:

- **Business Impact Analysis (BIA) & Critical Function Mapping** -
  That a consistent BIA & Critical Function Mapping process be undertaken across all areas of the Council's operations to ensure completeness and alignment with operational needs.
- **Business Continuity Planning (BCP) Development** -
  That a standard BCP template be developed with supporting processes to ensure ongoing operational relevance.
- **Stakeholder & Communication Readiness** -
  The preparation of a stakeholder register and engagement with these stakeholders to validate the BIA and recovery planning.

- **Training & Awareness** –
  Deliver targeted BCM training and awareness programs for key roles to enhance preparedness.
- **Framework Integration & Compliance**
  Consolidate all existing BCM documents into a unified framework and establish a lessons-learned register to track and resolve issues identified during exercises.

Based on the above, Bentleys have been engaged to address Phase 1 of the work required in response to the BCM Internal Audit, which includes:

- establishing a consistent Business Impact Analysis (BIA) methodology and conduct initial comprehensive BIAs across all units;
- validating critical functions, Maximum Allowable Outages (MAO), Recovery Time Objectives (RTO), Recovery Point Objectives (RPO), and key interdependencies;
- updating the BCP document with the critical functions;
- identifying all key BCM linkages with risk, emergency, and IT Disaster Recovery frameworks, etc;
- consolidating existing BCM documents (Part 1 and Part 2) into a single, cohesive framework;
- developing a standardised BCP template including version control, RTOs, RPOs, and contact lists;
- establishing and maintain updated internal/external contact lists and call trees;
- integrating BIA results directly into recovery strategies and assign specific owners for critical functions and their associated recovery plans;
- creating and maintain a dynamic stakeholder register, involving them in BIA validation and recovery strategy selection via workshops;
- developing a comprehensive communication matrix detailing channels, message templates, escalation paths, and legal liability considerations;
- revising the template for critical function sub-plans, focusing on clarity, user-friendliness; and thoroughness. Once the enhanced template is finalised, systematically develop tailored sub-plans for each newly identified critical function emerging from the latest BIA will be prepared, ensuring they are robust, actionable, and aligned with the overarching framework.

To date, Bentleys have completed approximately half of the work outlined above which has required considerable staff time associated with participation in in workshops, reviewing documents and responding to specific queries raised by Bentleys.

The *Contractor Management Review Internal Audit Report* was received and considered by the Committee at its Meeting held on 25 February 2026.

The Contractor Management Internal Audit identified that high-risk or regulated services (eg capital projects), demonstrate mature practices. However, overall contractor management is fragmented and there are disparate maturity levels in contractor management across the organisation, resulting in differing application of policies, inconsistent induction processes, and limited monitoring of safety and compliance.

Specific areas that have been recommended for improvement by Bentleys are set out below:

- development of a centralised contractor register;
- automated workflow for Contractor Management;
- Contractor Induction Processes to eliminate inconsistent approaches;
- monitoring of contractor safety; and
- training and communication in contractor management.

Separate to the Contractor Management Internal Audit and following a review of the Council's WHS system, a Plan with Programs (PWP) was already developed by Local Government Risk Services (LGRS) in conjunction with Council's Manager, Chief Executives Office, WHS Advisor and the Executive Leadership Team, which identified similar recommendations as those identified in the Internal Audit.

Program Five (5) of the PWP relates to WHS Contractor Management which identified 15 actions. These actions are specifically designed to assist the Council, as a member of the Local Government Association Workers Compensation Scheme, meet the *Return to Work South Australian Performance Standards for Self-Insurers*.

At the time of the Bentleys Internal Audit report being undertaken, in response to the PWP, Council staff had already engaged a contractor to deliver and embed WHS Contractor Management practices using the capability of *Skytrust*, which is the system that the organisation uses to manage the WHS reporting and management processes. This work was initially designed to meet the PWP requirements, however, to assist with implementing the actions identified through the Internal Audit process, in consultation with the Council's WHS Advisor, 16 actions have been added to the contractor's scope of work which is currently underway.

The *Business Continuity Management Internal Audit Report* and the *Contractor Management Review Internal Audit Report* ,identified the extent of work that needs to be undertaken by staff to respond to the recommendations for improvement. While much of the work can be undertaken by external consultants, staff resources are required to manage the consultant arrangements, contribute the required information and embed processes that will remain effective once the consultants work has concluded.

In addition to receiving Internal Audit reports, the Committee is also required to monitor the responsiveness of the Council to recommendations for improvement arising from previous audits, in accordance with Section 126(4)(c) of the Act.

As requested by the Committee, a report which provides a progress update, combines actions taken in response to recommendations for improvement arising from both Internal and External Audits.

The Committee received the first of the consolidated reports at its Meeting held on 25 February 2026.

Internal Audit Work Plan

Section 126(4)(g)(i)(A) of the Act requires that the Committee provide oversight of the planning and scoping of the Internal Audit Work Plan. The Committee approved the current 2025-2027 *Internal Audit Plan*(Internal Audit Plan), on 14 April 2025.

In addition to the BCM Internal Audit and the Contractor Management Internal Audit, the current Internal Audit Plan included an additional two (2) Internal Audits that were to be undertaken in the 2025-2026 Financial Year (noting that the BCM Framework Internal Audit was scheduled to be undertaken in 2024-2025 year and did not conclude until the 2025-2026 year).

This target was overly optimistic and given resourcing constraints and the work required to support the delivery of the BCM Framework Internal Audit and the Contractor Management Internal Audit, it was not possible to undertake any further Internal Audits during the 2025-2026 Financial Year.

Following a subsequent review of the Internal Audit Work Plan by the General Manager, Governance & Civic Affairs, an updated Draft Internal Audit Work Plan has been prepared, as contained within **Attachment A**.

The updated 2025-2027 *Internal Audit Plan* includes the following changes:

- rescheduling the ICT Disaster Recovery Plan Internal Audit to 2026-2027, as this aligns with the work that is being undertaken on the BCM framework and implementation of the Council's IT Strategic Roadmap;
- separating the Procurement component from the Contract Management Internal Audit, in recognition of the effective oversight of Procurement practices provided through the External Audit;
- rescheduling the Contract Management Internal Audit to 2026-2027, as this considers the work that is being undertaken in response to the Contractor Management Internal Audit; and
- rescheduling the Regulatory Services Internal Audit to 2027-2028, as the 2025-2027 *Internal Audit Plan* is aligned to the Bentleys contract, which expires on 30 June 2027, this in effect means the Regulatory Services Internal Audit will be moved of this Internal Audit Plan.

Given resourcing constraints and to ensure that continuous improvement is embedded into the processes, scheduling two (2) Internal Audits per year is reasonable.

It is envisaged that a review of how the Internal Audits are delivered will be undertaken ahead of the expiry of the current contract that is in place with Bentleys. Further work on scoping the Internal Audit Plan beyond the completion of the 2026-2027 Financial Year, will be presented for consideration by the Committee in early 2027.

OPTIONS

Not Applicable.

This report is provided for the purposes of meeting the legislative requirements of Section 99(ib) of the Act and to inform the Committee of required updates to the Internal Audit Plan in accordance with the requirements of Section 126(4)(g)(i)(A) of the Act.

CONCLUSION

The Council's Internal Audit processes are aimed at supporting continuous improvement and adding value to the organisation to achieve strategic and operational objectives that are aligned with community expectations.

The updated 2025-2027 *Internal Audit Plan* recognises the practical reality of the staff resources that are required to undertake Internal Audits, as well as action any recommendations for improvement in a meaningful way and embed effective and sustainable solutions.

Undertaking two (2) Internal Audits in each year provides a reasonable and responsible balance.

RECOMMENDATION

That this report on the Council's Internal Audit Processes be noted, and the updated 2025-2027 Internal Audit Plan, as contained in Attachment A, be endorsed.

Mayor Bria moved:

That this report on the Council's Internal Audit Processes be noted, and the updated 2025-2027 Internal Audit Plan, as contained in Attachment A, be endorsed.

Seconded by Ms Tami Norman and carried unanimously.

5.8 DRAFT ANNUAL REPORT OF THE AUDIT & RISK COMMITTEE

REPORT AUTHOR: Manager, Governance
APPROVED BY: General Manager, Governance & Civic Affairs
ATTACHMENTS: A

PURPOSE OF THE REPORT

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

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**.

STRATEGIC DIRECTIONS

Not Applicable.

FINANCIAL AND BUDGET IMPLICATIONS

Not Applicable.

RISK MANAGEMENT

Not Applicable.

CONSULTATION

Elected Members

Elected Members receive the Minutes from the Audit & Risk Committee Meetings and consider any recommendations that are made by the Audit & Risk Committee to the Council.

Community

Not Applicable.

Staff

Not Applicable.

Other Agencies

Not Applicable.

DISCUSSION

The draft 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 determined by the Council. The Annual Report provides a summary of the work that has been undertaken by the Audit & Risk Committee during the 2025-2026 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 under 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 2025-2026 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 draft 2025-2026 Audit & Risk Committee Annual Report (as contained in Attachment A), be approved.*
2. *The Audit & Risk Committee notes that the 2025-2026 Audit & Risk Committee Annual Report will be included in the Council's 2025-2026 Annual Report.*

Cr Piggott moved:

1. *That the draft 2025-2026 Audit & Risk Committee Annual Report (as contained in Attachment A), be approved with minor editorial changes.*

2. *The Audit & Risk Committee notes that the 2025-2026 Audit & Risk Committee Annual Report will be included in the Council's 2025-2026 Annual Report.*

Seconded by Ms Tami Norman and carried unanimously.

6 OTHER BUSINESS

Nil

7 CONFIDENTIAL REPORTS

7.1 ST PETERS CHILD CARE CENTRE & PRESCHOOL

RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the Local Government Act 1999 the Audit & Risk Committee orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Audit & Risk Committee will receive, discuss and consider:

(a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

and the Audit & Risk Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Mayor Bria moved:

That pursuant to Section 90(2) and (3) of the Local Government Act 1999 the Audit & Risk Committee orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Governance & Civic Affairs, Manager, Governance, Chief Financial Officer, Governance Officer], be excluded from the meeting on the basis that the Audit & Risk Committee will receive, discuss and consider:

(a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

and the Audit & Risk Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded by Ms Tami Norman and carried unanimously.

Cr Piggott moved:

Under Section 91(7) and (9) of the Local Government Act 1999 the Audit & Risk Committee orders that the report, discussion and minutes be kept confidential for a period of five (5) years, unless released by the Council earlier.

Seconded by Mr Kym Holman and carried unanimously.

8 NEXT MEETING

Monday, 19 October 2026

9 CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 8.01pm.

_____

Ms Cate Hart
PRESIDING MEMBER

Minutes Confirmed on _____
(date)