

# **Audit & Risk Committee**



## **2022-2023 Annual Report**

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## About the Report

This report presents a summary of the Audit and Risk Committee's activities undertaken and recommendations to Council made during the 2022-2023 financial year.

## Independent Member Profiles



### **John Comrie FCPA (ret), GAICD**

John's background is economics and financial management. He was CEO of a large South Australian metro council and then became head of the Local Government Association of SA and subsequently the SA Government's Office for State/Local Government Relations. Whilst there he led legislative changes to encourage more focus on financial sustainability including the introduction of a requirement for long-term financial planning.

For the past 17 years he has been consulting and conducting training to local governments across Australia primarily on financial sustainability matters.

He has been chairman of the audit committees of 10 rural/regional SA councils. He is currently a member of the Mount Remarkable Council's audit committee. He was also Chair of the SA Local Government Finance Authority from 2016 until 2020.

Over the past 12 months he has been assisting the Essential Services Commission of SA (ESCOSA) in the development of its program to review councils' financial documents and decisions in order for it to provide advice to councils consistent with recent legislative reforms.



### **Michele Bennetts CPA, MAICD Managing Director, LgiQ**

A Senior Manager, with over 25 years of experience in local government and not-for-profit organisations.

Most recently as the Managing Director of lgiQ and as a consultant her key focus is to assist rural and remote councils in filling their skills gap in the areas of finance and governance. Understanding every organisation is different, she works with them to decide on how best to fill the gaps including mentoring, providing contracted local government finance professionals or specialised consulting.



### **Ian Swan (ret)**

#### **Principal, Swan Business Advisory**

Over many years as a now-retired Chartered Accountant and Registered Company Auditor in professional practice, I have developed strong skills in the advisory, governance and management areas of SMEs, Local Government, Not For Profits and Indigenous organisations, including audit and assurance, taxation planning, business restructuring, financing, succession planning and business strategies. I have also developed a strong network of professionals and para-professionals in other disciplines.

Over the past sixteen years, I have developed a great interest in Local Government, to the extent I now sit as an Independent Member/Chair on a number of Council Audit and Risk Committees in regional SA and the NT. This is now my primary focus in the consulting space. I find this work to be professionally rewarding and fulfilling.

Prior to ceasing public practice, indigenous matters had been an area of special focus for fifteen years or so and as such I carried out investigations and reviews, audits, Special Administrations, consultancies and general business advisory and accounting services as an ORIC consultant and for indigenous organisations and communities. I spent much time working in remote aboriginal communities and have developed an understanding of indigenous Australians' aspirations in those areas.

I am also a Partner in CMIS, a business consulting and advisory practice with Australia-wide reach. We have special interest in Local Government, start-ups, indigenous business, regional development projects and business mentoring.

## **Councillor Representatives**

The following Councillors were appointed to the Committee by Council resolution on 15 November 2022.



Mayor Cr Stephen McCarthy  
Telowie Ward



Cr Lesley Till  
Willochra Ward

## Message from the Acting Chairperson

The 2022-2023 financial year was a busy one for the Audit and Risk Committee, with the Council progressing its suite of key strategic documents.

The Committee was given the opportunity to attend briefing sessions along with elected members and staff allowing Committee members to not only understand the issues at hand but to witness firsthand how the organisation informs its elected body to ensure it can knowledgeably make decisions on behalf of its community.

With a multitude of internal operational resourcing issues and external influences such as increase costs of goods and inability to secure contractors taking up so much of the Council's resources, it is reassuring to see that the issues of how it should be managed so as not to adversely affect the delivery and management of other Council services are being considered.

The Committee reviewed the Council's annual business plan and financial statements. The Council continues to manage its financial situation prudently, ensuring it strives to maintain financial sustainability, achieve intergenerational equity and cater for its modest population growth. It is also of note that Council's forward planning suggests that the Council has adequate scope to borrow to fund the required infrastructure to support this community. Like most councils in Australia, it is faced with high and increasing prices and contractor and skill shortages, however, it has illustrated to the Committee that it is mitigating these and other risks through its strategic risk management processes.

To ensure that activities remain relevant and continue to provide confidence to the community that the Council is operating openly and fairly, the Committee reviewed its Terms of Reference.

I thank the elected members for considering the Committee's recommendations over their term (noting the local government elections were held in November 2022). The Council has had to make hard decisions involving large outlays that will affect many generations to come and Council's leadership is acknowledged during those deliberations.

The Committee looks forward to continuing the relationship to ensure informed and quality decision making for the benefit of the community.

I would also like to thank the former independent member and Committee Chairperson, Michele Bennetts, for her specialist advice and guidance to Council and who resigned as an independent member in April 2023, previous and current Committee members for their commitment and input, and the Council staff and external financial consultants for the high quality of reports and assistance provided to the Committee.

John Comrie  
**Independent Member / Acting Chairperson**

20 October 2023

## Audit & Risk Committee Purpose

The District Council of Mount Remarkable Audit & Risk Committee is a Committee of the District Council of Mount Remarkable established pursuant to the provisions of Sections 41 and 126 of the Local Government Act 1999 as amended (“the Act”) to oversee and advise the Council on matters of accountability and internal control.

The overall function of the Committee is to provide an independent check on key Council activities and reports from the Committee support Elected Members of the Council in meeting their responsibility to use Community resources for the overall benefit of the Community, that is, to keep the Council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery, under review [Sec 59 (1) (a) (iii) of the Act].

The Committee's Terms of Reference is available on Council's website: [TOR-Review-A-and-R-Feb-2023.pdf \(mtr.sa.gov.au\)](https://www.mtr.sa.gov.au/Assets/Attachments/TOR-Review-A-and-R-Feb-2023.pdf)

## Membership and Meetings

### Membership of the Committee

|  |                           |  |
|--|---------------------------|--|
| Independent Member /<br>Chairperson        | Michele Bennetts          | Appointed June 2021 – resigned April 2023                              |
| Independent Member /<br>Acting Chairperson | John Comrie               | Appointed March 2021<br>Appointed Acting Chairperson May 2023          |
| Independent Member                         | Ian Swan                  | Appointed December 2021  |
| Council nominated<br>Elected Member        | Mayor Cr Stephen McCarthy | Re-appointed November 2022<br>(in accordance with 3.7 of Terms of Ref) |
| Council nominated<br>Elected Member        | Cr Lesley Till            | Appointed November 2022<br>(in accordance with 3.7 of Terms of Ref)    |

*Note: the Committee carried a Council nominated Elected Member vacancy at its 11 July 2022 and 8 August 2022 meetings due to the 27 June 2022 resignation of former Council nominated elected member to the Committee, Greg Prestridge.*

### Meetings of the Committee

Six (6) meetings were held: 11 July 2022; 8 August 2022; 17 January 2023; 10 February 2023; 3 March 2023; 29 May 2023

### Attendance at Meetings by Committee Members

| Members   | Total Meetings Held<br>Six (6)       |                            |
|---|--------------------------------------|----------------------------|
|   | No of meetings<br>eligible to attend | No of meetings<br>attended |
| John Comrie<br>(Independent Member/Acting Chairperson)  | 6                                    | 6                          |
| Michele Bennetts<br>(Independent Member/Chairperson)<br>(resigned April 2023)                   | 5                                    | 5                          |
| Ian Swan<br>(Independent Member)  | 6                                    | 6                          |
| Mayor Cr Stephen McCarthy<br>(Council nominated representative)<br>(re-appointed November 2022) | 6                                    | 6                          |
| Cr Lesley Till<br>(Council nominated representative)<br>(appointed November 2022)               | 4                                    | 2                          |

### Other Regular Attendees

Non-Committee Members who regularly attend meetings include the Chief Executive Officer, Director Community & Corporate and Director Infrastructure & Regulatory.

## Activities of the Committee

Below is a list of “for noting” and “recommendation for adoption by Council” resolutions of the Committee. All of the Committee’s recommendations were adopted by Council.

| <b>Principal Issues Examined</b> | <b>Agenda report heading and resolution</b>  |
|----------------------------------|--|
| <b>External Audit</b>            | <p><b>External Audit - Interim Audit Results 2021-2022</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>1. receives and notes the report;</li> <li>2. notes the external Auditor’s findings as outlined in correspondence dated 20 June as presented at Attachment 1 to the report;</li> <li>3. notes the Administration’s proposed actions as outlined in Attachment 2 to the report; and</li> <li>4. requests the Administration to provide a report at the next meeting providing an overview of the current status of general and rates debtors.</li> </ol> <p>[032-2022] 11 July 2022</p>  |
|                                  | <p><b>Update on Interim External Audit Findings</b><br/>That the Audit &amp; Risk Committee receives and notes the report.<br/>[040-2022] 8 August 2022</p>  |
|                                  | <p><b>External Auditor’s Draft Balance Date Letter for year ending 30 June 2022</b><br/>That :</p> <ol style="list-style-type: none"> <li>1. in accordance with Section 90(2) of the Local Government Act 1999 the Audit &amp; Risk Committee orders that the gallery, staff and invited guests (excepting Ian McDonald from Creative Auditing) be excluded from attendance at the meeting to the extent that the Committee considers it necessary to receive, discuss or consider in confidence item 3.3 External Auditor’s Draft Balance Date Audit for year ending 30 June 2022; and</li> <li>2. the Committee is satisfied that pursuant to section 90(3) (e) of the Local Government Act 1999 the information to be received, discussed or considered in relation to this item is; (e) matters affecting the security of the Council, members or employees of the Council, or Council property, or the safety of any person, and would, on balance, be contrary to the public interest.</li> </ol> <p>[012-2023] 10 February 2023</p> <p>That under Section 90(2) and 3(e) of the Local Government Act 1999, the Committee, pursuant to section 91(7)(b) of the Act, order that the discussion be held in confidence for 12 months and will be reviewed at least annually in accordance with the Local Government Act 1999.<br/>[013-2023] 10 February 2023</p> <p>That the Audit &amp; Risk Committee receives and notes the report and verbal update from Council’s external Auditor (Creative Auditing – Ian McDonald).<br/>[014-2023] 10 February 2023</p> <p>That the Audit &amp; Risk Committee request the administration to prepare a report for the 3 March 2023 meeting providing an update on the status of the development of Council’s asset management plans and outlining anticipated dates for completion and implementation.<br/>[015-2023] 10 February 2023</p> |
|                                  | <p><b>Review of Council Policies - Rate Rebate Policy; Rates Remission &amp; Hardship Policy; Disposal of Land &amp; Other Assets Policy and Debt Recovery Policy</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>1. receive and notes the report;</li> <li>2. recommends to Council that the updated Rate Rebate Policy; Rates Remission &amp; Hardship Policy; Disposal of Land &amp; Other Assets Policy and Debt Recovery Policy, as presented as attachments 1,2,3 and 4 to the report, with the inclusion of any amendments as discussed at the meeting, be adopted.</li> </ol> <p>[034-2022] 11 July 2022</p>   |
| <b>Policy Reviews</b>            | <p><b>Review of Council Policies - Asset Accounting Policy</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>1. receive and notes the report; and</li> <li>2. requests the Administration to undertake a review (in consultation with the independent members) of the Asset Accounting Policy as presented at Attachment 1 to the report and present it for consideration at a future meeting of the Committee.</li> </ol> <p>[035-2022] 11 July 2022</p>  |
|                                  | <p><b>Asset Accounting Policy – Review</b><br/>That the Audit &amp; Risk Committee:</p>  |



|                                   |  |
|-----------------------------------|--|
|                                   | <p>1. receive and notes the report; and<br/>                 2. defers consideration of this matter until the next meeting pending additional work being done on the Asset Accounting policy by the Administration in liaison with the independent members.<br/>                 [039-2022] 8 August 2022</p> <p><b>Policy Review - Asset Accounting Policy – Revised Draft</b><br/>                 That the Audit &amp; Risk Committee:<br/>                 1. receive and notes the report;<br/>                 2. recommends to Council that it adopt the revised Asset Accounting Policy as presented at Attachment 1 to the report.<br/>                 [025-2023] 3 March 2023</p> <p><b>Policy Reviews – 04.07 Entertainment and Hospitality Policy, 04.15 Fraud, Corruption, Misconduct and Maladministration Prevention Policy, 04.26 Credit Card Policy, 04.26A Credit Card Procedure, 04.70 Public Interest Disclosure Policy, 04.70A Public Interest Disclosure Procedure</b><br/>                 That the Audit &amp; Risk Committee:<br/>                 1. receive and notes the report;<br/>                 2. recommends to Council that it adopt the revised Entertainment and Hospitality Policy 04.07, as amended;<br/>                 3. recommends to Council that it adopt the revised Credit Card Policy 04.26, as amended<br/>                 4. recommends to Council that it notes the revised Credit Card Procedure 04.26A, as amended<br/>                 5. recommends to Council that it adopt the revised Fraud, Corruption, Misconduct and Maladministration Prevention Policy 04.15, as amended<br/>                 6. recommends to Council that it adopt the revised Public Interest Disclosure Policy 04.70, as amended<br/>                 7. recommends to Council that it notes the revised Public Interest Disclosure Procedure 04.70, as amended and presented at Attachment 1-6 to the report.<br/>                 [026-2023] 3 March 2023</p> <p><b>Policy Reviews – Procurement Policy 04.25, Preferred Suppliers Procedure 04.25A, Internal Financial Control Policy 04.28, Rate Remission and Hardship Policy 04.39 and Debt Recovery Policy 04.48</b><br/>                 That the Audit &amp; Risk Committee:<br/>                 1. receive and notes the report;<br/>                 2. recommends to Council that it adopt the revised Procurement Policy 04.25, as amended;<br/>                 3. recommends to Council that it notes the revised Preferred Suppliers Procedure 04.25A as amended<br/>                 4. recommends to Council that it adopt the revised Internal Financial Control Policy 04.28, as amended<br/>                 5. recommends to Council that it adopt the revised Rate Remission &amp; Hardship Policy 04.39, as amended<br/>                 6. recommends to Council that it adopt the revised Debt Recovery Policy 04.48, as amended and presented at Attachment 1-5 to the report.<br/>                 [027-2023] 3 March 2023</p> <p><b>Policy Reviews – Draft Disposal of Land &amp; Other Assets Policy 04.58, Draft Rate Rebate Policy 04.77, Draft Rates Policy 04.78 and Draft Treasury Management Policy 04.79</b><br/>                 That the Audit &amp; Risk Committee:<br/>                 1. receive and notes the report;<br/>                 2. recommends to Council that it adopt the revised Draft Disposal of Land &amp; Other Assets Policy 04.58, as amended<br/>                 3. recommends to Council that it adopts the revised Draft Rate Rebate Policy 04.77, as amended<br/>                 4. recommends to Council that it adopt the revised Draft Rates Policy 04.78, as amended<br/>                 5. recommends to Council that it adopt the revised Draft Treasury Management Policy 04.79 as amended and as presented at Attachments 1-4 to the report.<br/>                 [033-2023] 29 May 2023</p> <p><b>Audit &amp; Risk Committee Terms of Reference – updated to reflect requirements of Statutes Amendment Act (Local Government Review) December 2021</b><br/>                 That the Audit &amp; Risk Committee recommends that Council adopt the reviewed Terms of Reference, as reflected in the amendments requested by the Audit &amp; Risk Committee.<br/>                 [006-2023] 17 January 2023</p> |
| <p><b>Financial Reporting</b></p> | <p><b>Long Term Financial Plan for public consultation</b><br/>                 That the Audit &amp; Risk Committee:<br/>                 1. receives and notes that report; and<br/>                 2. recommends to Council that the draft 2022-2032 Long Term Financial Plan as presented at Attachment 1 to the report be released for public consultation with the inclusion of:<br/> <ul style="list-style-type: none"> <li>• a section highlighting variances (and the reason for those variances) between the draft Asset Management Plan and the Long Term Financial Plan; and</li> <li>• other minor edits as identified at the meeting.</li> </ul>                 [041-2022] 8 August 2022</p>  |

|  |  |
|--|--|
|  | <p><b>2021-22 Draft Annual Financial Statements</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>1. advises Council it has undertaken an initial of a draft version of the 2021-22 Annual Financial Statements;</li> <li>2. notes that changes will be required to the current year;</li> <li>3. notes that changes will be required to comparatives due to issues subsequently detected with the 2020-21 asset data and, potentially, borrowings; and</li> <li>4. advises Council that the final advice will be provided by the Audit &amp; Risk Committee once the final draft version has been reviewed and a draft Auditors opinion has been provided to Audit &amp; Risk Committee meeting.</li> </ol> <p>[002-2023] 17 January 2023</p>   |
|  | <p><b>2022-23 Budget Review #1</b><br/>That the Audit &amp; Risk Committee advises Council that:</p> <ol style="list-style-type: none"> <li>1. it has reviewed and discussed the amendments to the original budget requested by management and as reported in Budget Review #1 and is satisfied with Management's explanations; and</li> <li>2. improved processes have been implemented in relation to budget preparation and ongoing budget reviews, and it is expected that as a result of this, future budget reviews will not contain the high number of amendments as reported in Attachment 1 to the report.</li> </ol> <p>[004-2023] 17 January 2023</p>   |
|  | <p><b>Strategic Financial Reporting Cycle – Schedule of Critical Dates for 2023</b><br/>That the Audit &amp; Risk Committee advises Council that it has reviewed and discussed the Strategic Financial Reporting Cycle – Schedule of Critical Dates and recommend that Council notes the dates and the numerous legislative requirements that will be satisfied via the delivery of the reporting schedule.</p> <p>[008-2023] 17 January 2023</p>  |
|  | <p><b>Annual Financial Statements 2021-2022</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>1. receives and notes the report;</li> <li>2. advises Council that it has reviewed and discussed the final draft 2021-22 Annual Financial Statements amongst themselves and with the Auditor and is satisfied, with minor amendments as discussed at the meeting, that they represent a true and fair view of Council's finances for the period being reported on; and</li> <li>3. request a report regarding the approach to re-valuations be presented to the 3 March 2023 meeting.</li> </ol> <p>[010-2023] 10 February 2023</p>  |
|  | <p><b>Financial Results 2021-22</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>1. receives and notes the report;</li> <li>2. advises Council that it has reviewed and discussed the 2021-22 report on financial results and is satisfied with the explanations for variances provided by management;</li> <li>3. requests that Council receive a further analysis based on the adjusted ratios; and</li> <li>4. request that in future years, greater information is provided to Council regarding the variances analysis.</li> </ol> <p>[011-2023] 10 February 2023</p>  |
|  | <p><b>FY2022-23 Budget Review # 3</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>1. receives and notes the report; and</li> <li>2. having considered the report and attachments, approves the proposed 2022/23 Budget Variation and adopts the revised 2022/23 Budgeted Financial Statements pursuant to Section 123 of the Local Government Act 1999.</li> </ol> <p>[035-2023] 29 May 2023</p>   |
|  | <p><b>Draft 2023-2024 Annual Business Plan &amp; Budget</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>1. receives and notes the report;</li> <li>2. recommends to Council that: <ol style="list-style-type: none"> <li>a) the Draft 2023-24 Annual Business Plan &amp; Budget be adopted for community consultation subject to any follow on changes that may be warranted as a consequence of the recent Commonwealth Budget's announced timing of Local Government Financial Assistance Grants;</li> <li>b) authorises the Chief Executive Officer to make necessary changes to the Draft 2023-24 Annual Business Plan document arising from this meeting, together with any editorial amendments and finalisation of formatting and graphic design;</li> <li>c) Council determines that a public meeting be convened in the Council Chambers, Melrose on Tuesday 4 July 2023 at 5.00pm – 6.00pm to receive public submissions on the Draft 2023-24 Annual Business Plan as part of its consultation activities; and</li> <li>d) authorises the Chief Executive Officer to: <ol style="list-style-type: none"> <li>i) arrange for the holding of such a meeting;</li> <li>ii) provide notice to the public of the meeting in such a manner and form that he sees fit; and</li> <li>iii) cancel the above proposed 4 July meeting if considered warranted and determine that the meeting be held at an alternate date and time as appropriate.</li> </ol> </li> </ol> </li> </ol> |

|  |  |
|--|--|
|  | <p>[036-2023] 29 May 2023</p> <p><b>2022-23 Budget Review #2</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>receives and notes the report;</li> <li>advises Council it has reviewed and discussed the amendments to the original budget requested by management and reported in Budget Review #2, and is satisfied with management's explanations.</li> </ol> <p>[021-2023] 3 March 2023</p> <p><b>2023-32 Infrastructure &amp; Asset Management Plan – Draft for public consultation</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>receives and notes the report;</li> <li>advises Council that it has reviewed and discussed the draft 2023-32 Infrastructure &amp; Asset Management Plan (I&amp;AMP) and suggests the following enhancements to the document: <ul style="list-style-type: none"> <li>I&amp;AMP be updated to include 10 years (suggest the plan commences to align with the 2022/23 Budget)</li> <li>ensure that there is better alignment of LTFP and I&amp;AMP</li> <li>include summary table of capital and operating of each class of assets; and</li> </ul> </li> <li>recommends to Council that the draft Infrastructure &amp; Asset Management Plan 2023-32 be adopted for public consultation along with the draft Long Term Financial Plan 2023-32.</li> </ol> <p>[022-2023] 3 March 2023</p> <p><b>Draft Long Term Financial Plan 2023-24 to 2032-33 for Community Consultation</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>receives and notes the report; and</li> <li>recommends to Council that the Draft Long Term Financial Plan 2023-24 to 2032-33 be adopted for community consultation, along with the Draft 2023-24 Annual Business Plan &amp; Budget and Draft 2023-32 Infrastructure &amp; Asset Management Plan.</li> </ol> <p>[037-2023] 29 May 2023</p> <p><b>2023-32 Draft Long Term Financial Plan</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>receives and notes the report;</li> <li>advises Council that it has reviewed and discussed the draft 2023-32 Long Term Financial Plan (LTFP) with the following comments: <ul style="list-style-type: none"> <li>the draft 2023-32 LTFP does not include a total renewal program as detailed in the draft 2023-32 I&amp;AMP, and if it did, it would be financially unsustainable;</li> <li>Council should find a strategy to bring the Council into being financially sustainable;</li> <li>recommends Council build in an additional 2% above CPI per annum increase into the rates figure in order to improve long term financial sustainability; and</li> </ul> </li> <li>recommends that Council adopt the 2023-32 Draft Long Term Financial Plan for public consultation.</li> </ol> <p>[023-2023] 3 March 2023</p> <p><b>2023-24 Budget – Preliminary Draft</b><br/>That the Audit &amp; Risk Committee receives and notes the report.<br/>[024-2023] 3 March 2023</p> |
| <b>Internal Audit</b>                          | <p><b>Internal Audit – Appointment of Dean Newberry</b><br/>That the Audit &amp; Risk Committee receives and notes the report.<br/>[020-2023] 3 March 2023</p>   |
| <b>Risk Management &amp; Internal Controls</b> | <p><b>Corporate Credit Cards – Transaction Statements</b><br/>That the Audit &amp; Risk Committee receives and notes the report<br/>[019-2023] 3 March 2023</p> <p><b>Corporate Credit Cards – Transaction Statements</b><br/>That the Audit &amp; Risk Committee receives and notes the report.<br/>[032-2023] 29 May 2023</p> <p><b>Action Plan - Asset Revaluations – Update</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>receives and notes the report; and</li> <li>approves the Action Plan as submitted.</li> </ol> <p>[034-2023] 29 May 2023</p>  |
| <b>Other</b>                                   | <p><b>Appointment of Acting / Interim Chairperson</b><br/>That the Audit &amp; Risk Committee appoint Independent Member John Comrie as the Committee's Acting Chairperson until Council determines the appointment of Chairperson of the Audit &amp; Risk Committee at its June 2023 Ordinary meeting.<br/>[028-2023] 29 May 2023</p> <p><b>2022-23 Audit &amp; Risk Committee Work Program</b><br/>That the Audit &amp; Risk Committee:</p> <ol style="list-style-type: none"> <li>receives and notes the report; and</li> <li>requests that the Administration ensure that the Action List is included in all future agendas.</li> </ol> <p>[007-2023] 17 January 2023</p>  |

## Other Matters

The Chairperson of the Audit & Risk Committee participated in and contributed to discussion at Informal Gatherings of Council Members on key matters aligned with the Committee terms of reference.

At all meetings the Committee reviews its Annual Work Plan, its Action Plan and a report summarising the Council's corporate credit card expenditure (in accordance with Council's adopted Credit Card Policy).

Committee meetings are open to the public (in person and via Zoom) and were held in the Council Chambers at Melrose. Committee meeting agendas and minutes are publicly available on Council's website, as is the Committee's Terms of Reference.

All Council Members receive copies of the Committee's agendas and minutes.

Councillors, whom are not Committee members, were able to attend Committee meetings as observers. Councillor Nottle observed the 3 March 2023 meeting and Councillor Tate observed the 29 May 2023 meeting.

The Committee's adopted an annual work plan is attached (Attachment 1).

## District Council of Mount Remarkable - Audit Committee Work Program 2022-23

(Meetings to be held Oct 2022 & Dec 2022, March 2023, Jun 2023)

| Activity  | Meeting Date         | Responsible Officers | Comment / Status | Follow up Action<br>(for next year's work program) |
|---|----------------------|----------------------|------------------|--|
| <b>1. Strategic Financial Reporting Cycle</b>   |                      |                      |                  |  |
| <p>Monitor the integrity of the financial statement reports referred to below to review any significant financial reporting issues and judgements which they may contain</p> <p>Specifically - review and challenge where necessary:</p> <ul style="list-style-type: none"> <li>• the consistency in application of, and/or any changes to, accounting policies;</li> <li>• the method used to account for significant or unusual transactions where different approaches are possible;</li> <li>• whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;</li> <li>• the clarity of disclosure in the Council's financial reports and the context in which statements are made;</li> <li>• all information presented with the financial statements, such as the operating and financial review and the corporate governance statement (in so far as it relates to the audit and risk management); and</li> </ul> <p>significant adjustments to the financial report (if any) arising from the audit process.</p> |                      |                      |                  |  |
| 1.1 Annual Financial Statements – 2021-22   | Oct 2022             | MP / RM              |                  |  |
| 1.2 Report on Financial Results – 2021-22   | Dec 2022             | MP / RM              |                  |  |
| 1.3 Budget Review #1 – 2022-23  | Dec 2022             | MP / RM              |                  |  |
| 1.4 Budget Review #2 – 2022-23  | Mar 2023             | MP / RM              |                  |  |
| 1.5 Annual Business Plan / Annual Budget – 2023-24  | Mar 2023<br>Jun 2023 | MP / RM              |                  |  |
| 1.6 Long Term Financial Plan – 2024-2033  | Jun 2023<br>Oct 2023 | MP / RM              |                  |  |
| 1.7 Budget Review #3 – 2022-23  | Jun 2023             | MP / RM              |                  |  |

## District Council of Mount Remarkable - Audit Committee Work Program 2022-23

(Meetings to be held Oct 2022 & Dec 2022, March 2023, Jun 2023)

| Activity  | Meeting Date         | Responsible Officers | Comment / Status | Follow up Action<br>(for next year's work program) |
|---|----------------------|----------------------|------------------|--|
| <b>2. Internal Controls and Risk Management Systems</b>   |                      |                      |                  |  |
| 2.1 Review & comment on the internal financial control framework, together with associated policies & procedures documents.   | Jun 2023             | MP                   |                  |  |
| 2.2 Review & comment an updated risk assessment framework as applied to the existing internal control risk assessment.  | Jun 2023             | MP                   |                  |  |
| 2.3 Review & comment on the Council wide risk register when completed.  | Dec 2023             | MP                   |                  |  |
| 2.4 Review & comment on the disaster recovery plan as well as the business continuity plan.   | Dec 2023             | MP                   |                  |  |
| <b>3. Internal Audit</b>  |                      |                      |                  |  |
| 3.1 Engage Internal Auditors to monitor compliance with the internal controls as identified in the internal control framework are operating effectively.  | Oct 2022             | MP                   |                  |  |
| 3.2 Review the internal audit annual work program and receive twice yearly summary reports on work undertaken outlining any significant issues discovered.  | Oct 2022<br>Jun 2023 | MP                   |                  |  |
| 3.3 Having regard to results of its own work program and the Council's available resources, risks and anticipated benefits and costs, the Audit Committee should identify whether there are key functions where it might recommend that an efficiency and economy audit be performed. | ongoing              | CEO                  |                  |  |

## District Council of Mount Remarkable - Audit Committee Work Program 2022-23

(Meetings to be held Oct 2022 & Dec 2022, March 2023, Jun 2023)

| Activity  | Meeting Date         | Responsible Officers | Comment / Status | Follow up Action<br>(for next year's work program) |
|---|----------------------|----------------------|------------------|--|
| <b>4. External Audit</b>  |                      |                      |                  |  |
| 4.1 Liaise with the Councils' external auditor on the scope and planning of annual audits, including any issues arising from audits and the resolution of such matters.   | Oct 2021             | Audit Committee      |                  |  |
| 4.2 All correspondence between the Auditor & Council is to be tabled for consideration. The audit committee will review and comment on the Council's response to, and actions taken because of issues raised from any external audit.<br><br>It is anticipated that the Auditors would send two management letters in a typical year coinciding with the two visits undertaken each year. | Dec 2022<br>Jun 2023 | MP / RM              |                  |  |
| 4.3 Recommend the engagement of the Councils' external auditor, including the appointment, reappointment, or removal of the Councils' external auditor as required.   | 2027                 | Audit Committee      |                  |  |
| 4.4 Ensure receipt of certificate of independence from the External Auditor.  | Oct 2022             | MP                   |                  |  |
| 4.5 Ensure Council authorise CEO & Mayor to certify the final 20120-21 Annual Financial Statements  | Oct 2022             | MP                   |                  |  |
| <b>5. Reporting Requirements of the Audit Committee</b>   |                      |                      |                  |  |
| 5.1 Ensure that significant, urgent matters identified through the work program are formally and promptly reported to the Council.  | ongoing              | MP                   |                  |  |

## District Council of Mount Remarkable - Audit Committee Work Program 2022-23

(Meetings to be held Oct 2022 & Dec 2022, March 2023, Jun 2023)

| Activity   | Meeting Date | Responsible Officers | Comment / Status | Follow up Action<br>(for next year's work program) |
|--|--------------|----------------------|------------------|--|
| 5.2 Table the minutes of Audit Committee meetings held as well as updated Audit Committee Work Program as part of the agenda of the next Council meeting; ensuring recommendations are considered and adopted as required. | ongoing      | MP                   |                  |  |
| 5.3 Prepare annually a report to the Council on the Audit Committees achievements over the past year and include the report in the Annual Report of Council.   | Oct 2022     | MP / RM              |                  |  |
| 5.4 Audit Committee review its terms of reference on a biennial basis.   | Oct 2022     | RM                   |                  |  |
| <b>6. Other</b>  |              |                      |                  |  |
| 6.1 Update the comprehensive schedule of finance policies to be developed or reviewed. With the relevant policies included in the audit committee work program as required.  | Oct 2022     | MP                   |                  |  |
| 6.2 Policies to be reviewed:   | 2022-23      | MP                   |                  |  |
| 6.3 Set Audit Committee work program and confirm meeting dates for 2023-24.  | Jun 2023     | RM                   |                  |  |
| <b>7. Strategic Management Planning</b>  |              |                      |                  |  |
| 7.1 Strategic Financial Reporting Cycle due dates for 2023   | Dec 2022     | RM                   |                  |  |
| 7.2 Impact of Statutes Amendment (Local Government Review) Act 2021 on Audit Committee Activities. Provide regular updates and reports   | Ongoing      | RM                   |                  |  |
| 7.3 Local Government Rates Oversight Scheme<br>Provide regular updates and reports   | Ongoing      | RM                   |                  |  |