NOTICE OF MEETING

Members are advised that THE BAROSSA COUNCIL AUDIT COMMITTEE meeting will be held on Friday 18 December 2020 via Electronic Meeting Process in the Council Chamber, 43-51 Tanunda Road, Nuriootpa, commencing at 9.30am.

Martin McCarthy
CHIEF EXECUTIVE OFFICER
THE BAROSSA COUNCIL

A G E N D A

1. Welcome

2. Present:
   In Attendance:

2. Apologies:

4. Conflict of Interest Declarations

5. Confirmation of Minutes of previous meeting - 21 October 2020

6. Business Arising from Previous Minutes

7. Consensus Agenda

7.1 Reports for Information
   7.1.1 Audit Committee Work Plan
   7.1.2 Adopted Annual Financial Statements 2019/20
   7.1.3 Adopted Quarterly Budget Update as at 30 September 2020
   7.1.4 The Barossa Council Annual Report
   7.1.5 Audit Committee Annual Self-Assessment
   7.1.6 Timetable – Long Term Financial Plan and Annual Budget & Business Plan
   7.1.7 Adopted Enterprise Risk Management Policy and Framework
   7.1.8 Draft Infrastructure and Asset Management Plan – for Consultation
   7.1.9 Approval of Extension of Term – Peter Brass and Ellen Ewing
   7.1.10 Nuriootpa Centennial Park Authority Audit Committee – Minutes of Meeting held 14 October 2020
8. **Adoption of Consensus Agenda**
   8.1 Items for Exclusion from the Consensus Agenda
   8.2 Receipt of Consensus Agenda

9. **Debate Agenda**
   9.1 Reports
      Nil
   9.2 Policies for Review
      Nil

10. **Confidential Agenda**

11. **Other Business**
    Verbal report - Review of Audit Committee Terms of Reference

12. **Next Meeting**
    To be advised

13. **Close**

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**NOTE:** Should any Member be unable to attend, please contact the Presiding Member, Peter Brass, with comments on the Agenda items, for discussion at the meeting.
1. **WELCOME**
Mr Brass declared the meeting open at 10.40am and welcomed all in attendance.

2. **MEMBERS PRESENT**
Mr Peter Brass, Mr Ian Swan, Ms Ellen Ewing, Cr John Angas, Cr Russell Johnstone

**Invited Staff Members**
Mr Martin McCarthy, Chief Executive Officer
Mr Mark Lague, Manager Financial Services
Ms Nicole Rudd, Internal Control Compliance Officer
Ms Vicky Rohrlach, Senior Accountant
Ms Elizabeth Waters, Accountant
Ms Jo Moen, Manager Executive Services
Mr Matt Elding, Director Works and Engineering Services (12.30pm – 12.45pm)
Ms Annette Randall, Executive and Project Support Officer (Minute Secretary)

**In Attendance**
Mr David Papa and Mr Matthew Brunato from Bentleys SA Pty Ltd
(External Auditor)

3. **APOLOGIES**
Nil

4. **CONFLICT OF INTEREST DECLARATIONS**
Mr Brass indicated that he will be disclosing a conflict of interest in the matter 7.1.8 regarding the expiration of his 2 year term as an Independent Member.

Ms Ewing indicated that she will be disclosing a conflict of interest in the matter 7.1.8 regarding the expiration of her 2 year term as an Independent Member.

5. **CONFIRMATION OF MINUTES FROM PREVIOUS MEETING**

**MOVED** Mr Swan that the Minutes of the Audit Committee Meeting held 23 June 2020 be confirmed as a true and correct record of the proceedings of that meeting.

**Seconded** Cr Angas

**CARRIED 2020-21/1**

6. **BUSINESS ARISING FROM PREVIOUS MINUTES**
Nil

7. **CONSENSUS AGENDA**
8. ADOPTION OF CONSENSUS AGENDA

8.1 ITEMS FOR EXCLUSION FROM THE CONSENSUS AGENDA

Mr Peter Brass:
7.1.8 Expiration of 2 Year Term – Independent Members, Mr Peter Brass and Ms Ellen Ewing
7.1.9 Report – Procurement System Audit
7.1.10 Report – Council’s Information Technology Security Profile
7.2.1 Nuriootpa Centennial Park Authority Audit Committee – Minutes of 3 June 2020 meeting

8.2 RECEIPT OF CONSENSUS AGENDA

MOVED Cr Johnstone that the information items 7.1.1 to 7.1.7 contained in the Consensus Agenda be received and noted.
Seconded Mr Swan CARRIED 2020-21/2

8.3 DEBATE OF ITEMS EXCLUDED FROM THE CONSENSUS AGENDA

7.1.8 - EXPIRATION OF 2 YEAR TERM - INDEPENDENT MEMBERS, MR PETER BRASS AND MS ELLEN EWING

Pursuant to S73 of the Local Government Act 1999, Mr Brass disclosed a conflict of interest in the matter regarding the expiration of his 2 year term as an Independent Member, (as he receives a sitting fee as a Committee member, to attend Audit Committee meetings).

Mr Brass advised the Committee of the conflict of interest and left the meeting at 10.43am.

Pursuant to S73 of the Local Government Act 1999, Ms Ewing disclosed a conflict of interest in the matter regarding the expiration of her 2 year term as an Independent Member, (as she receives a sitting fee as a Committee member, to attend Audit Committee meetings).

Ms Ewing advised the Committee of the conflict of interest and left the meeting at 10.43am.

As the Chair was vacated, Mr McCarthy Chief Executive Officer assumed the Chair and called for nominations for a Member to take the Chair for Agenda item 7.1.8.

Cr Johnstone nominated Mr Swan to assume the Chair.

There being no other nominations, Mr McCarthy handed the Chair to Mr Swan for Agenda item 7.1.8.

MOVED Cr Johnstone that the Audit Committee accept the extension of appointment of Peter Brass and Ellen Ewing as Independent Members of the Audit Committee for a further two year term, expiring on 27 January 2023, subject to Council approval.
Seconded Cr Angas CARRIED 2020-21/3

The Audit Committee Terms of Reference (clause 3.2.1) allows for Independent Members to be appointed for a 2 year term (unless otherwise determined by Council), with a right of extension of the appointment by Council.
Mr Brass and Ms Ewing were appointed to the Audit Committee in January 2019, with the current term expiring on 27 January 2021. They have both advised their wish to extend their appointment for a further 2 year term, subject to Council approval. A report will be provided to the November 2020 Council Meeting, recommending an extension of appointment.

Independent Member, Mr Ian Swan, was appointed in January 2018 for a 2 year term, followed by a 2 year extension in January 2020, expiring on 27 January 2022. Appointments have been staggered to secure consistency of Independent Members on the Committee.

Mr Brass and Ms Ewing returned to the meeting at 10.45am.

Mr Brass resumed the Chair.

7.1.9 - REPORT - PROCUREMENT SYSTEM AUDIT

Mr Brass led discussion, suggesting that Council consider an external review of its procurement system to determine if there are any opportunities for improvement.

Mr Lague advised that the Internal Control Coordinator (Nicole Rudd) is transitioning from the Finance team to the Risk Management team as Risk and Internal Control Coordinator, to support WHS with a broader enterprise level risk management focus. The new Risk team model brings together Enterprise Risk Management, Insurance Management, WHS and Internal Control.

The Manager Executive Services and the Risk and Internal Control Coordinator will, over the next six months, review recent audits and consider any benefits (or not) of an external review of the procurement system.

MOVED Cr Johnstone that the Procurement System Audit report be received and noted.
Seconded Mr Swan CARRIED 2020-21/4

The Audit Committee, at its 23 June 2020 meeting, sought information review and audit activity around Council’s procurement system.

Our procurement system is extensive and has recently been reviewed; the following diagrammatically outlines the system.

Reviews of the relevant components are:

1. Procurement policy reviewed and approved by Council at its 19/6/2018 meeting and next review date is 19/6/2022. Link to overarching policy is:
2. Planning Sourcing and Selection Process reviewed and approved by Corporate Management Team on 25 July 2018 next review date 19/6/2022.
3. Purchasing Process reviewed and approved by Corporate Management Team on 21 August 2019 next review date 19/6/2022.
5. Panel Contracts are contracts arising from above processes and are managed in accordance with the contract timeframes.

In 2017 a full governance audit by the Auditor-General was conducted in relation to all our systems and processes, procurement specifically was not a factor in any audit comment. The audit system and documentation where provided to the Auditor-General as part of the governance audit, see item 8.1.2 in the attached Audit Committee agenda.

Periodically spot audits and an annual audit of procurement is undertaken and matters followed up. The last time these were undertaken and reported to the relevant teams are:

1. Purchasing processes and accounts payable compliance, annual review 2018-19 and 2019-20 current being undertaken. The 2018-19 indicates a high level of purchase order compliance with non-compliant transactions totally 165 of 19,569 or 1%.
2. Monthly spot checks of system and officer implementation performance December 2018. These spot checks result in follow up actions and improvements to future process and policy reviews.

Should the Audit Committee wish to undertake further activity it will need to be resources and supported externally with current priorities and workloads.

7.1.10 - REPORT – COUNCIL'S INFORMATION TECHNOLOGY SECURITY PROFILE

Mr Brass requested further information on the confidential assessment against cyber security standards. Mr McCarthy will present a report to the Committee, to consider in confidence in accordance with Section 90(3) of the Local Government Act, at the next Audit Committee meeting.

MOVED Mr Swan that the Audit Committee:
• provide assurance to Council that the steps undertaken are reasonable and that the Chief Executive Officer be supported in the establishment of the identified reporting urgently and immediately;
• request the Chief Executive Officer to present further information to the next Audit Committee meeting in relation to assessment against cyber security standards.

Seconded Cr Angas

The Audit Committee sought information at the last meeting regarding the management of our technology systems, arising from the management of remote and general network access.

First and foremost the security of information held on or in Council technology or physical assets is paramount. The disclosures made here are generic and detailed reports, audit logs and information will not be specific so as to maintain:

1. Private customer information;
2. Organisational security;
3. Personnel security.
As Chief Executive Officer I will not disclose detailed information of our systems, architecture and processes internal or with third parties used to maintain and test our security without consideration of confidentiality considerations and orders under Section 90(3) of the Local Government Act 1999.

With the above in mind, The Barossa Council and its Executive and ICT area maintain a strong physical and cyber security focus, regardless of impacts such as COVID-19, on the security of our systems. In summary, the management of our data and information is generally secured and tested on the following basis:

1. Regular maintenance and updating of all critical architecture and software ensuring all patches and updates are completed and rolled out on a risk basis.
2. Hosting of data at an ultra-secure site along with security management within Council buildings housing critical records.
3. Ongoing management of whitelisting and blacklisting of incoming electronic traffic via Mimecast.
4. Training and awareness of staff to phishing, whaling and other modern attacks and a policy of forwarding any suspicious emails, with attachments, to Helpdesk for checking before opening.
5. Annual ethical hacker penetration activity and reporting with prioritised improvement actions. This has also included simulated phishing and whaling attacks to inform training and awareness programs.
6. Periodic third party checks of new systems are carried out where identified as necessary to ensure minimised vulnerabilities in configuration; for instance the recent installation of Outlook 365 and Microsoft Teams was carried out by a third party consultant.
7. Sound procurement processes and research into possible systems, eg Microsoft Teams vs Zoom was identified as a safe solution from technical and market assessment along with review of Commonwealth and State Government trends.
8. Two factor authorisation required for each and every remote logon with time restrictions for remote access outside of the internal network.
9. Two factor authorisation for access to critical remote systems like banking with NAB Connect (in respect to the authorization of transactions) which is limited to management and executive only.
10. Audit logs of relevant transaction or access in systems. No oversight reporting is carried out and reviewed at present.
11. Reporting of transactional data to management for monitoring such as email usage.
12. There is a notice on every login to Council systems that our systems are monitored and recorded in accordance with the Surveillance Devices Act 2016.
13. Incident reporting internally and if necessary externally to the Australian Cyber Security Centre as part of the Australian Signals Directorate.
15. Implemented a privileged access management strategy (System administrator accounts are restricted to specific tasks).
16. Local admin rights are restricted on all machines (this prevents users from installing software on their local machines).

One improvement action has been identified from the construction of this report which is to ensure that part 10 above is appropriately maintained. This will include ensuring that reports regarding access to critical and confidential data and information during the reporting period are provided to the Corporate Management Team on a monthly basis to ensure compliance with policy and acceptable access to records.

This will include access to:

1. Implement a reasonable oversight system to those access personnel files.
2. All email records including the mirror email system not being the owner of that email address.
3. All external access requests not being a Council registered user.
7.2.1 - MINUTES - NURIOOTPA CENTENNIAL PARK AUTHORITY AUDIT COMMITTEE
Mr Brass asked if the NCPA Audit Committee completed an annual Self-Assessment of their performance. As they do not, he requested that officers discuss with the Chair, with a view to introducing this annual practice.

MOVED Cr Johnstone that Correspondence item 7.2.1 be received and noted.
Seconded Mr Swan  
CARRIED 2020-21/6

Attached are Minutes from the Nuriootpa Centennial Park Authority Audit Committee meeting held 3 June 2020.

9. DEBATE AGENDA

9.1.1 NURIOOTPA CENTENNIAL PARK AUTHORITY - 2019/20 ANNUAL FINANCIAL STATEMENTS
Mr Lague provided a brief overview of the Financial Statements and answered questions from the Members.

MOVED Mr Swan that the 2019/20 Annual Financial Statements for the Nuriootpa Centennial Park Authority be endorsed and presented to Council for adoption.
Seconded Cr Johnstone  
CARRIED 2020-21/7

PURPOSE
To provide a copy of the Nuriootpa Centennial Park Authority (NCPA) Annual Financial Statements (FS) for the year ended 30 June 2020. (Refer attached).

REPORT
Introduction
In accordance with Section 126(4) of the Local Government Act 1999, the Committee must review the Annual Financial Statements to ensure that they present fairly the state of affairs of the Council.

Discussion
The Council Auditors commenced their Balance Date Audit on 29 September to 2 October 2020.

Council and NCPA officers have provided information to the auditors to ensure they were able to conduct their audit and have made necessary adjustments to the report as required.

At the NCPA Audit Committee Meeting, 14 October 2020, the Auditor provided a verbal report of the NCPA 019/20 audit and highlighted their findings and as noted in the management letter plan to issue an unmodified audit opinion. The Audit Committee reviewed the FS and were satisfied they fairly reflect the affairs of the NCPA for the 2020 year.

The NCPA board next meets on the 21 October 2020, where they will provide the authorisation for the Chief Executive Officer and Business Manager to sign the certification and also endorse the FS.

The audited draft copy of the Financial Statements along with the draft Independent Auditors Report has been provided (as attached).

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
**COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS**

**Corporate Plan**

- **How We Work – Good Governance**

6.2 Ensure that Council’s policy and process frameworks are based on principles of sound governance and meet legislative requirements.

6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

6.4 Ensure that decisions regarding expenditure of Council’s budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.

6.9 Provide access to Council’s plans, policies and processes and communicate with the community in plain English.

6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

**Legislative Requirements**

*Local Government Act 1999 – Section 126(4)*

**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

**Financial**

The financial statements have been incorporated into Council’s consolidated Financial Statements.

**COMMUNITY CONSULTATION**

No separate consultation is required under Council’s Public Consultation Policy. The Statements are public documents, accessible to the community via Council’s website after Council adoption.

**9.1.2**

**THE BAROSSA COUNCIL 2019/20 ANNUAL FINANCIAL STATEMENTS**

B10476

Mr Lague provided a brief overview of the Financial Statements and answered questions from the Members.

**MOVED**

Mr Swan that subject to final confirmation with Council auditors, the 2019/20 Annual Financial Statements, with amendments to Note 1 and Note 15 as discussed, be endorsed and presented to Council for adoption.

**Seconded**

Cr Johnstone

**CARRIED 2020-21/8**

**REPORT**

**Introduction**

In accordance with the *Local Government Act 1999, Section 126(4)* the Committee must “…review the adequacy of the financial management systems and practices of the Council...”. This is to ensure that they present fairly the state of affairs of the Council.

As required in the Terms of Reference “the Committee shall monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements they contain”.

**Discussion**

The Council Auditors conducted their Balance Day Audit on 29 September to 2 October 2020. Council Officers have provided information to the Auditors to ensure they were able to conduct their audit and have made necessary adjustments to the report as required.
The Auditors have reviewed the financial statements and have provided Council with the following:
- A draft Independent Auditor’s Report – Internal Controls 2019/20 (Attachment 4)
- Audit clearance letter - Unmodified Report for 2020 (Attachment 5)

A final copy of the financial statements will be presented to Council at a meeting in November 2020.

**ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

Attachment 5: Letter Bentley’s SA – Financial Statements Audit 2020

**COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS**

**Corporate Plan**

How We Work – Good Governance

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6.9 Provide access to Council’s plans, policies and processes and communicate with the community in plain English.
6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

**Legislative Requirements**

Section 126(4) of the Local Government Act 1999
Local Government (Financial Management) Regulations 2011

**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

**Financial**

All known financial and resourcing requirements as at 30 June 2020 have been included in the financials.

**Risk Management**

Risk management issues are considered by Management throughout the financial year and communicated to Council as required.

**COMMUNITY CONSULTATION**

No separate consultation is required under Council’s Public Consultation Policy. The Statements are public documents, accessible to the community via Council’s website after Council adoption.

Mr Papa and Mr Brunato left the meeting at 11.48am.

**9.1.3 REPORT ON FINANCIAL RESULTS 2019/2020 (AS AT 30 JUNE 2020)**

Mr Lague spoke to the report and answered questions from the Members.
MOVED Mr Swan that the Report on Financial Results for 2019/2020 be endorsed and presented to Council for adoption.
Seconded Cr Angas  CARRIED 2020-21/9

PURPOSE
To provide a copy of the Report on Financial Results for 2019/2020 (as at 30 June 2020) for review. (Refer Attachment 1).

REPORT
Discussion
The Report on Financial Results is prepared following the completion of the Financial Statements. This report provides a final variance report for the actual results as compared to the adopted budget, along with suggested budget adjustments including carried forward requests to the 2020/2021 financial year.

The report provides information as to the financial position of Council, containing: Executive Summary, Uniform Presentation of Finances, Key Performance Indicators, Financial Statements with Variance Reporting as compared to the original budget and compared to last year actual results.

The report also provides a list of proposed Operating and Capital Budget carried forward adjustments. Many of these adjustments are for projects not completed by 30 June 2020 for various reasons and/or are attached to grant funding/contributions for programs in 2020/2021.

For further analysis, reference should be made to the Annual Financial Statements 2019/2020, attached to Agenda item 9.1.2.

The report also includes capital expenditure and new initiatives review.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
Attachment 1: Report on Financial Results 2019/2020

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan
How We Work – Good Governance

6.2 Ensure that Council’s policy and process frameworks are based on principles of sound governance and meet legislative requirements.
6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.
6.4 Ensure that decisions regarding expenditure of Council’s budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.
6.9 Provide access to Council’s plans, policies and processes and communicate with the community in plain English.
6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

Legislative Requirements
Section 126(4) of the Local Government Act 1999
Local Government (Financial Management) Regulations 2011

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Financial
To enable Council to make effective and strategic financial decisions, a regular up to date high level financial report is provided. This report contains budget adjustments for decisions Council
has made since the last review and other adjustments to meet financial changes in capital and/or operational areas. The document contains comments and implications for the Long Term Financial Plan as a result of this review.

At the 29 June 2020 Special Council Meeting, Council approved for continuation of works in progress. These capital expenditure projects, along with a number of operating projects/items, are included within this report as carried forward to the 2020/21 financial year for Council consideration and approval.

**COMMUNITY CONSULTATION**

Community Consultation was part of the original budget adoption process in June 2019, as per legislation.

**9.1.4 INTERNAL FINANCIAL CONTROL REPORT**

B3705

Ms Rudd spoke to the report. She advised that the internal audit function will continue in her new role as Risk and Internal Control Coordinator, as part of the Risk Services team.

**MOVED** Cr Angas that the report from the Coordinator Internal Control on the status of Internal Financial Control work, be received and noted.

**Seconded** Ms Ewing

**CARRIED 2020-21/10**

**PURPOSE**

To provide an update on the status of Internal Financial Control work.

**REPORT**

Attached is a copy of the Internal Financial Control Report for July to September 2020.

**ATTACHMENTS OR OTHER SUPPORTING REFERENCES**

Internal Financial Control Report - July to September 2020

**COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS**

**Community Plan**

How We Work – Good Governance

**Corporate Plan**

How We Work – Good Governance

6.2 Ensure that Council’s policies and process frameworks are based on principles of sound governance and meet legislative requirements.

6.4 Ensure that decisions regarding expenditure of Council’s budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.

**Legislative Requirements**

Local Government Act 1999 – Section 125, 126, 129 (1) (b)
Local Government (Financial Management) Regulations 2011, 14(e)

**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**

The regular monitoring and review of Council’s financial internal controls and risk assessments will significantly facilitate the on-going safeguarding of Council assets. The control and review of risks is a core officer function and responsibility.

**COMMUNITY CONSULTATION**

Not required under legislation or Council’s Public Consultation Policy.
Ms Moen spoke to the report and answered questions from the Members.

**MOVED** Ms Ewing that the Audit Committee receives and notes The Barossa Council Quarter 4 – 2019/20 Performance & Activity Report.

**Seconded** Mr Swan

CARRIED 2020-21/11

### PURPOSE


### REPORT

**Background**

Since November 2016, Council and the Audit Committee have been presented with Quarterly Performance Reports on measures adopted within the Corporate Plan.

**Introduction**

The Barossa Council Quarter 4 – 2019/20 Performance and Activity Report provides performance results against Corporate Plan measures as at 30 June 2020. The report also includes a suite of activity measures, providing a snapshot of activity undertaken over the quarter in the delivery of key internal and external Council services under each Community Plan Theme.

**Discussion**

The Quarter 4 Report includes those 2019/20 annual measures where data was available at the time of report preparation. Annual measures that rely on the completion of end of financial year data validation, such as key financial and asset based measures, will be reported in Quarter 1 when final figures are available. In accordance with this approach, an appendix has been added to the end of the attached report providing an overview of the total suite of performance measures and the frequency that they are reported on.

In addition to the above, as a result of the conclusion of the current Corporate Plan strategies and performance measures as at 30 June 2020, Officers will be developing a new suite of performance measures during the first half of 2020/21 in accordance with new Corporate Plan goals and strategies set. When the new measures are introduced, the report will include a disclaimer regarding the nature of any changes implemented and their impact on the data presented.

As per previous advice, where justification exists, performance targets may be amended for existing measures to reflect a more realistic figure. Where this is the case, the report will include an explanation of the nature of and justification for any changes implemented and its impact on the data.

**Summary and Conclusion**

The Barossa Council Quarter 4 – 2019/20 Performance and Activity Report is presented for Audit Committee consideration.

### ATTACHMENTS OR OTHER SUPPORTING REFERENCES


### COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

**Community Plan**

- How We Work – Good Governance

**Corporate Plan**

A6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.
Legislative Requirements
Nil

**FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS**
Current resources are sufficient to provide ongoing quarterly reporting.

**COMMUNITY CONSULTATION**
Community consultation is not required under the Act or Council’s Public Consultation Policy.

**9.1.6 UPDATE – RISK MANAGEMENT PROGRAMS AND PROJECTS**

Ms Moen spoke to the report and answered questions from the Members.

**MOVED**
Cr Johnstone that the Audit Committee receives and notes report 9.1.6 Update – Risk Management Programs and Projects.

**Seconded**
Cr Angas

**CARRIED 2020-21/12**

**PURPOSE**
To present a report on the progress of Risk Management programs and projects.

**REPORT**

**Risk Management Quarterly Report**
Council’s Risk Management Quarterly Reports for Quarter 4 - 2019/2020 and Quarter 1 – 2020/21 are provided at Attachments 1 and 2 for information and noting.

**Risk Team Resourcing Changes**
Following on from changes in the Risk Team’s staffing footprint in late June 2020, the Executive Services Group took the opportunity to review resourcing requirements in the risk space based on independent reviews previously undertaken and current business needs. As part of this process staff identified a need to balance Council’s orientation towards supporting WHS with a broader enterprise level risk management focus. Consideration has also been given to actioning long standing Audit Committee recommendations to establish an arm’s length relationship between Council’s Finance team and financial control/audit functions.

As a result of this review, the organisation is now transitioning to a new Risk Team model that brings together Enterprise Risk Management, Insurance Management, WHS and Internal Control and allows Council to capitalise on the expertise and experience of key officers within these areas. This change will mean that the Risk Team will welcome Nicole Rudd into the team as Risk & Internal Control Coordinator (bringing with her internal audit and compliance checks) and Alfie Spehr will take the lead on the provision of WHS Coordination. Technical and administrative support will continue to be made available to the team and the Manager Executive Services will also continue to provide high level support to Council’s Risk and Safety function.

**Risk Management Activity Summary**
- Drug and Alcohol Management Policy and Process – A Drug and Alcohol Testing Provider has been engaged and the capacity to conduct incident based testing was effective as at July 2020. Causal and Random drug and alcohol testing is scheduled to commence in January 2021 following mandatory Drug and Alcohol Awareness training for all staff in November 2020.
- Hazard Management Policy, Hazard Management Process and Incident Reporting and Investigation Process fully re-written, passed through all staff and WHS consultation and approved by the Corporate Management Team (CMT) in August 2020, paving the way for the introduction of Skytrust hazard and incident reporting by December 2020.
- Emergency Management
Organisational Emergency Management - Policy and Process currently being reviewed, along with site emergency risk assessments and site emergency management plans.


- Contractor Management – Introduction of contractor and contract monitoring tools plus revised site induction tools that cover both WHS and Project Outcomes in August 2020.
- Chemalert Training and Risk Assessments completed across all sites in September 2020.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
Attachment 1: Risk Management Quarterly Report – Quarter 4, 2019/20
Attachment 2: Risk Management Quarterly Report – Quarter 1, 2020/21

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS
Corporate Plan
How We Work – Good Governance

6.2 Ensure that Council’s policy and process frameworks are based on principles of sound governance and meet legislative requirements.

6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

Legislative Requirements
Local Government Act 1999
Work Health Safety Act 2012

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS
Addressed within the Report.

COMMUNITY CONSULTATION
Not required under legislation or Council’s Public Consultation Policy.

9.1.7
DRAFT ANNUAL REPORT OF AUDIT COMMITTEE’S ACTIVITIES 2019-20
B10476

MOVED Cr Angas that the draft Annual Report of Audit Committee’s Activities for 2019-20 be approved for submission to Council.
Seconded Ms Ewing
CARRIED 2020-21/13

PURPOSE
A draft Annual Report of the Audit Committee’s activities is attached for approval.

REPORT
Introduction
One of the activities of an Audit Committee identified in the LGA Information Paper 14 ‘Model Work Program for Council Audit Committees’ is its annual reporting to Council. Subsequent Information Paper 19 ‘Audit Committee Reporting’ presents a ‘best practice’ approach for Council’s to adopt.

Discussion
The Chairman’s draft report follows the model template set out in the Information Paper. The Chairman will present his report to the December Council meeting.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
### Community Plan / Corporate Plan / Legislative Requirements

#### Community Plan

- How We Work – Good Governance

#### Corporate Plan

1. Ensure that Council’s policy and process frameworks are based on principles of sound governance and meet legislative requirements.
2. Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.
3. Ensure that decisions regarding expenditure of Council’s budget are based on an assessment of whole of life costs, risks associated with the activity and advice contained within supporting plans.
4. Provide access to Council’s plans, policies and processes and communicate with the community in plain English.
5. Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

#### Legislative Requirements

- Local Government Act – Section 126
- LGA Information Paper 19 ‘Audit Committee Reporting’

### Financial, Resource and Risk Management Considerations

Council’s Audit Committee has a key role in its good governance framework. Good communication between the Committee and the Council will ensure that financial and risk management issues raised receive appropriate consideration and attention.

### Community Consultation

Council’s Audit Committee Annual Report on Activities for 2019-20 will be available to the public via Council’s website.

#### 9.2 Policies for Review

- **DRAFT ENTERPRISE RISK MANAGEMENT POLICY AND DRAFT ENTERPRISE RISK MANAGEMENT FRAMEWORK**

B11249

Ms Moen and Mr McCarthy spoke to the report and answered questions from the Members.

**MOVED** Cr Johnstone that the Audit Committee having reviewed Attachment 1 – Draft The Barossa Council Enterprise Risk Management Policy and Attachment 2 – Draft The Barossa Council Enterprise Risk Management Framework endorse the strategic direction and review undertaken, and approve for submission to Council.

**Seconded** Ms Ewing

CARRIED 2020-21/14

### Purpose

To seek feedback on a revised draft of Council’s Enterprise Risk Management Policy and proposed Enterprise Risk Management Framework document.

### Report

Council’s current Risk Management Policy was approved in November 2015 and was due for review in 2019. Whilst this Policy referenced the development of a supporting Risk Management Framework, Council has not adopted a framework to date.
Based on a consistently identified need to balance Council’s orientation towards supporting WHS with a broader enterprise level risk management focus, the Risk team has facilitated a review of the Risk Management Policy and re-framed Council’s policy position to drive an Enterprise level approach to Risk Management with WHS sitting within this broader umbrella.

The Policy seeks to establish the logic and intent for an Enterprise Risk Management Framework featuring principles, a best practice model and a consistent process for managing risk across all aspects of Council’s business.

The Draft Enterprise Risk Management Framework is aligned to the Local Government Risk Services Model Risk Management Framework document but has been customised to reflect the strategic and operational environment of The Barossa Council. On this basis, a balance has been sought between maintaining compatibility with current sector standards and producing guidance for staff that is meaningful, practical and readily understood for application at officer level.

Of particular note, the Framework now provides an opportunity for Council’s administration to adopt a consistent risk assessment methodology, risk appetite and treatment triggers, to clarify roles and responsibilities and to introduce improved maturity in broader enterprise risk management activities (ie the broadening of internal control activity beyond financial systems; more systematic and regular review of Council’s Risk Registers; and the coordination of improvement plans arising from internal and external reviews, risk assessments, strategic planning and organisational performance monitoring).

ATTACHMENTS OR OTHER SUPPORTING REFERENCES
Attachment 1: Draft Enterprise Risk Management Policy
Attachment 2: Draft Enterprise Risk Management Framework

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan
How We Work – Good Governance

6.2 Ensure that Council’s policy and process frameworks are based on principles of sound governance and meet legislative requirements.

6.3 Align operational strategy to strategic objectives and measure organisational performance to demonstrate progress towards achieving our goals.

Legislative Requirements
Local Government Act 1999
Work Health Safety Act 2012

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS
Addressed within the Report.

COMMUNITY CONSULTATION
Not required under legislation or Council’s Public Consultation Policy.

10. PRESENTATION BY DIRECTOR WORKS AND ENGINEERING SERVICES
Mr Brass welcomed Mr Elding to the meeting at 12.30pm. Mr Elding spoke about the highest assessed Risks (in Council’s Strategic Risk Register) for which the Works and Engineering Services Directorate is responsible, and how they are being managed.

11. OTHER BUSINESS

11.1 RATES HARDSHIP POLICY
Mr Lague advised Members of recent updates to the Rates Hardship Policy which were endorsed by Council at its meeting on 20 October 2020.
11.2 AUSTRALIAN TAXATION OFFICE RULING 2009/2 - CALCULATION OF SUPERANNUATION ON LEAVE LOADING
Mr Lague advised Members on the management and application of the taxation ruling.

12. NEXT MEETING
December 2020 - Date to be advised

13. CLOSURE OF MEETING
There being no further business, Mr Brass closed the meeting at 1.00pm.

Confirmed:

Chairman: ........................................ Date: ........................................
7.1.1  AUDIT COMMITTEE WORK PLAN 2020/21

The Audit Committee Work Plan (Attachment 1) has been updated.

**RECOMMENDATION:**
That the Report be received and noted.
## The Barossa Council Audit Committee Work Plan 2020/21
(4 meetings each financial year - October, December, February, June)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Officer</th>
<th>Estimated Timing</th>
<th>Frequency</th>
<th>Current Status</th>
<th>Date Completed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Reporting</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review and establish Audit Committee budget</td>
<td>Manager Financial Services</td>
<td>Feb Meeting</td>
<td>Annually</td>
<td></td>
<td>2020/21</td>
<td></td>
</tr>
<tr>
<td>Review draft Budget &amp; LTFP - assumptions and indexation</td>
<td>Manager Financial Services</td>
<td>Feb meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review draft AB&amp;BP document</td>
<td>Manager Financial Services</td>
<td>June meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review Treasury Management performance</td>
<td>Senior Accountant</td>
<td>Feb</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review Budget Update – Quarterly as at 31 March</td>
<td>Manager Financial Services</td>
<td>June meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review Budget Update – Quarterly as at 30 September</td>
<td>Manager Financial Services</td>
<td>Dec meeting</td>
<td>Annually</td>
<td>18/12/2020</td>
<td>Refer Agenda item 7.1.3</td>
<td></td>
</tr>
<tr>
<td>Review Mid - year Budget Review – Quarterly as at 31 December</td>
<td>Manager Financial Services</td>
<td>Feb Meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive draft Financial Statements for last financial year - Council and Nuriootpa Centennial Park Authority including Auditor attendance</td>
<td>Manager Financial Services</td>
<td>Oct meeting</td>
<td>Annually</td>
<td>21/10/2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draft Report on Financial Results, including carry forwards</td>
<td>Manager Financial Services</td>
<td>Oct meeting</td>
<td>Annually</td>
<td>21/10/2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive adopted Financial Statements and Report on Financial Results for last year - Council and Nuriootpa Centennial Park Authority</td>
<td>Manager Financial Services</td>
<td>Dec meeting</td>
<td>Annually</td>
<td>18/12/2020</td>
<td>Refer Agenda item 7.1.2</td>
<td></td>
</tr>
<tr>
<td>Review of Finance / Accounting Policies</td>
<td>Manager Financial Services</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Internal Controls and Risk Management Systems</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Responsible Officer</td>
<td>Estimated Timing</td>
<td>Frequency</td>
<td>Current Status</td>
<td>Date Completed</td>
<td>Comments</td>
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</tr>
<tr>
<td>Review and recommend the approval of statements to be included in the annual report on internal control (Audit Committee TOR requirement)</td>
<td>Coordinator Internal Controls</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive Internal Financial Controls Compliance report from Internal Control Co-ordinator</td>
<td>Coordinator Internal Controls</td>
<td>Each normal meeting</td>
<td>Quarterly</td>
<td></td>
<td>21/10/2020</td>
<td>No report for 18/12/2020 meeting</td>
</tr>
<tr>
<td>Review and recommend the approval of statements to be included in the annual report on risk management.</td>
<td>Risk Manager</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive quarterly Performance and Activity Reports</td>
<td>CEO</td>
<td>Each normal meeting</td>
<td>Quarterly</td>
<td></td>
<td>21/10/2020</td>
<td>No report for 18/12/2020 meeting</td>
</tr>
<tr>
<td>Receive Risk Management report from Risk Manager - Reports regarding WHS Planning Review, in particular, improvements made to the Organisational Risk Register</td>
<td>Risk Manager</td>
<td>Each normal meeting</td>
<td>Quarterly</td>
<td></td>
<td>21/10/2020</td>
<td>No report for 18/12/2020 meeting</td>
</tr>
<tr>
<td>Receive directorate risk reports showing relevant risks and how they are being managed</td>
<td>CMT Members / Risk Manager</td>
<td>As required</td>
<td></td>
<td></td>
<td>21/10/2020</td>
<td></td>
</tr>
<tr>
<td>Report on Local Government Mutual Liability Risk Management Review</td>
<td>Risk Manager</td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review decisions on interpretations of accounting standards taking into account the views of management and the external auditors.</td>
<td>Manager Financial Services</td>
<td>As required</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>External Audit</strong></td>
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<tr>
<td>Review any representation letter(s) requested by the external auditors</td>
<td>Manager Financial Services</td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discuss with management and/or external auditors any matters arising from the interim audits</td>
<td>Manager Financial Services</td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discuss with management and/or external auditors any matters arising from the year end audit</td>
<td>Audit Committee</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td></td>
<td>21/10/2020</td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Responsible Officer</td>
<td>Estimated Timing</td>
<td>Frequency</td>
<td>Current Status</td>
<td>Date Completed</td>
<td>Comments</td>
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</tr>
<tr>
<td>Oversee the selection process for new auditors or reappointment</td>
<td>Audit Committee</td>
<td>prior to 30/6/17</td>
<td>By 30/6/17 and as required</td>
<td>Completed</td>
<td>21/10/2020</td>
<td></td>
</tr>
<tr>
<td>Reporting Responsibilities</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Establish meeting schedule and work plan</td>
<td>Manager Financial Services</td>
<td>June Meeting</td>
<td>Annually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propose and provide information relevant to the review of Council’s Strategic Management Plans</td>
<td>CEO</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Management/ Governance/ Strategic/ Finance policies review</td>
<td>Various Officers</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review Council’s Public Disclosure Policy and Process (refer 29/10/19 meeting)</td>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual report on Audit Committee activities to Council</td>
<td>Audit Committee Chairperson</td>
<td>Oct meeting</td>
<td>Annually</td>
<td></td>
<td>21/10/2020</td>
<td></td>
</tr>
<tr>
<td>Chairperson to present Audit Committee Annual Report to Council</td>
<td>Audit Committee Chairperson</td>
<td>Nov/Dec Council meeting</td>
<td>Annually</td>
<td>Rescheduled to Wed 27 January 2021 Council Meeting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review Council Annual Report</td>
<td>CEO</td>
<td>Oct Meeting</td>
<td>Annually</td>
<td>18/12/2020</td>
<td>Refer Agenda item 7.1.4</td>
<td></td>
</tr>
<tr>
<td>Complete Audit Committee annual self-assessment</td>
<td>Audit Committee</td>
<td>Dec Meeting</td>
<td>Annually</td>
<td>18/12/2020</td>
<td>Refer Agenda item 7.1.5</td>
<td></td>
</tr>
<tr>
<td>Business Continuity Plan update</td>
<td>Risk Manager</td>
<td></td>
<td>As required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The annual LGAWCS KPI Audit Report</td>
<td>Risk Manager</td>
<td></td>
<td>Annually</td>
<td></td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review Terms of Reference</td>
<td>CEO</td>
<td>Annually</td>
<td>18/12/2020</td>
<td>Verbal update</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From Audit Committee Self Assessment 2019</td>
<td></td>
<td></td>
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<tr>
<td>Induction/training of new Committee members</td>
<td></td>
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</tr>
<tr>
<td>Council to consider internal audit function expansion beyond financial controls</td>
<td></td>
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</tr>
<tr>
<td>Activity</td>
<td>Responsible Officer</td>
<td>Estimated Timing</td>
<td>Frequency</td>
<td>Current Status</td>
<td>Date Completed</td>
<td>Comments</td>
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<tr>
<td>Audit Committee Membership - recruiting to ensure appropriate skill set and ability</td>
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<tr>
<td><strong>Meeting Actions</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>(12/6/13 and 8/6/16 meetings) Policy and Process for treatment of Attractive Assets and review of current controls to ensure they are adequate</td>
<td>MFS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Work in progress</td>
</tr>
<tr>
<td>(5/10/17 meeting) Strategic Corporate Risks - CEO continue to provide reports and updated risk assessments to the Audit Committee as works are undertaken.</td>
<td>CEO</td>
<td></td>
<td>Quarterly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5/10/17 meeting) Service Review and Continuous Improvement - CEO continue to provide reports and findings to the Audit Committee as works are undertaken.</td>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(29/10/19 meeting) Further governance be incorporated into the Audit Committee Terms of Reference at the next review of the document.</td>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(16/12/19 meeting) Consideration be given to engaging a consultant to test non-financial risks, particularly any categorised as Extreme or High</td>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>(23/6/2020 meeting) Any impact to Council operations from changes to legislation be presented to Committee for consideration</td>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(21/10/2020 meeting) MES and R&amp;ICC to review recent audits and consider any benefits (or not) of an external review of the procurement system.</td>
<td>CES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(21/10/2020 meeting) CEO to present further information in relation to assessment against cyber security standards (to consider in confidence)</td>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td>Scheduled for first meeting in 2021</td>
<td></td>
</tr>
<tr>
<td>(21/10/2020 meeting) Officers to discuss with Chair of NCPA Audit Committee, the introduction of annual Self-Assessment</td>
<td>CEO</td>
<td></td>
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</tbody>
</table>

23
7.1.2 RECEIVE FINAL ADOPTED 2019/20 ANNUAL FINANCIAL STATEMENTS
B10476

Further to Report 9.1.2 from the 21 October 2020 Audit Committee meeting, the final adopted 2019/20 Annual Financial Statements were adopted by Council on 17 November 2020, and are available on Council's website – www.barossa.sa.gov.au

RECOMMENDATION:
That the Report be received and noted.
7.1.3 RECEIVE ADOPTED 2020/21 QUARTERLY BUDGET UPDATE AS AT 30 SEPTEMBER 2020

The 2020/21 quarterly budget update as at 30 September 2020 was adopted by Council on 17 November 2020 and is available on Council’s website.

RECOMMENDATION:
That the Report be received and noted.
7.1.4 **THE BAROSSA COUNCIL ANNUAL REPORT**

The Barossa Council Annual Report 2019/20 was adopted by Council on 17 November 2020 and is available on Council's website.

**RECOMMENDATION:**
That the Report be received and noted.
7.1.5 **AUDIT COMMITTEE ANNUAL SELF-ASSESSMENT OF COMMITTEE PERFORMANCE**

B10476

The Local Government Association ‘Audit Committee Reporting’ Information Paper 19 recommends that “in the process of preparing its annual report to Council, the audit committee should also undertake a self-assessment of its performance over the previous twelve months”.

Audit Committee members have completed an annual self-assessment of Committee performance and a collation of responses is provided in the Attachment.

**RECOMMENDATION:**

That the Report be received and noted.
The Barossa Council Audit Committee
Annual Self Assessment of Committee Performance – Survey of Members 2020
Rate effectiveness 1 to 5  (1 = Very Ineffective; 2 = Ineffective; 3 = Neither Effective or Ineffective; 4 = Effective; 5 = Very Effective)

<table>
<thead>
<tr>
<th>Creating &amp; Running an Effective Committee</th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M1  M2  M3  M4  M5</td>
</tr>
<tr>
<td>Do you understand and agree with the functions of the Committee as detailed in its Terms of Reference? If not, why?</td>
<td>Yes Yes Yes Yes Yes</td>
</tr>
<tr>
<td>Does the committee collectively have sufficient skills, experience, time and resources to undertake its duties? If not, why?</td>
<td>Yes Yes Yes Yes Yes</td>
</tr>
<tr>
<td>• Independent members and Councillors bring different skill sets to the Committee.</td>
<td></td>
</tr>
<tr>
<td>Rate 1 - 5</td>
<td>M1  M2  M3  M4  M5</td>
</tr>
<tr>
<td>Does the committee work constructively as a team and work well with others attending the meetings? If not, how do you suggest this is addressed?</td>
<td>5 5 5 5 4</td>
</tr>
<tr>
<td>• All members contribute at meetings and work as a team.</td>
<td></td>
</tr>
<tr>
<td>Does the relationship between committee members strike the right balance between challenge and mutuality? If not, please provide comments.</td>
<td>5 5 4 4 4</td>
</tr>
<tr>
<td>Do the meeting arrangements enhance the Committee’s effectiveness (e.g. frequency, timing, duration, venue and format) to allow sufficient time for the discussion of agenda items?</td>
<td>5 5 4 3 4</td>
</tr>
<tr>
<td>• Separate meeting to consider annual financial statements.</td>
<td></td>
</tr>
<tr>
<td>• We believe that we could meet more often.</td>
<td></td>
</tr>
<tr>
<td>Are the reports for each meeting sufficiently comprehensive and yet understandable enough for you to make informed decisions?</td>
<td>5 4 4 4 4</td>
</tr>
<tr>
<td>Are the presentations an interesting and helpful way of informing members about various issues?</td>
<td>5 5 4 4 5</td>
</tr>
<tr>
<td>• Presentations have been useful to understand key issues.</td>
<td></td>
</tr>
<tr>
<td>Are effective minutes prepared, distributed and followed up?</td>
<td>5 5 5 4 5</td>
</tr>
<tr>
<td>• Timely distribution.</td>
<td></td>
</tr>
<tr>
<td>How do you rate the overall efficiency and effectiveness of the Committee? Please provide reasons for your ranking</td>
<td>5 5 4 4 5</td>
</tr>
<tr>
<td>• Very good interface with Council staff.</td>
<td></td>
</tr>
<tr>
<td>• Full agenda and items are not held over.</td>
<td></td>
</tr>
<tr>
<td>• Well qualified members. Competent back up staff.</td>
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<tr>
<td>Question</td>
<td>Rating</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Do staff and members conduct themselves in accordance with high standards of behaviour (eg. Code of Conduct and Corporate Values)?</td>
<td>5</td>
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<td>5</td>
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<td></td>
<td>n/a</td>
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<td></td>
<td>5</td>
</tr>
<tr>
<td>How do you rate the performance of the Presiding Member in preparing for and conducting the meetings? What are the reasons for your ranking?</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>n/a</td>
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<td>5</td>
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<td>5</td>
</tr>
<tr>
<td>How do you rate the performance of the other members of the Committee in fulfilling their role on the Committee? What are the reasons for your ranking?</td>
<td>5</td>
</tr>
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<td></td>
<td>4</td>
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<td>4</td>
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<td>5</td>
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<td></td>
<td>5</td>
</tr>
<tr>
<td>How do you rate your performance as a member of the Committee? What are the reasons for your ranking?</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>4</td>
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<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>4</td>
</tr>
<tr>
<td>How do you rate the performance of the support staff in facilitating the Committee’s role and function? What are the reasons for your ranking?</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>5</td>
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<td>Overseeing Governance, Risk Management and Asset Planning</td>
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<td>Does the Committee assure itself that the Executive take responsibility for risk identification and control, and give formal assurance through reporting that key risks are being adequately managed?</td>
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becomes an integral part of the way in which Council conducts business?

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- And we have had a rolling series of presentations on risk perspectives from each of the Executive reporting on their area.

Are internal audit findings and recommendations responded to in a timely and appropriate manner?

- Implementation of some recommendations requiring extension is adequately explained.
- There is room for improvement.

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- Implementation of some recommendations requiring extension is adequately explained.
- There is room for improvement.

**Overseeing Financial Reporting and external Audit**

**Yes / No**

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- Annual work plan reviewed. The performance of external auditor needs to be formally assessed.

Does the Committee review the work of the external auditor?

- Track through Action Item reporting.

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- Annual work plan reviewed. The performance of external auditor needs to be formally assessed.

Does the Committee review and discuss the external auditor’s management letter?

- Audit management letters and annual in-camera discussion is effective.

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- Audit management letters and annual in-camera discussion is effective.

Is the Committee effective in managing and monitoring the relationship with the external auditor?

- Audit management letters and annual in-camera discussion is effective.

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- Audit management letters and annual in-camera discussion is effective.

**General**

Do you have any suggestions for improving any aspect of the Committee’s performance, role or functions?

- None – Probably the best Audit Committee I sit on (eight, including five as Chair)
- It would be good to get papers a little earlier eg a week before meetings, if at all possible
- Formal induction for new Committee members
- There is a need to review the completeness and range of Performance Indicators that are reported to Council.
7.1.6 **TIMETABLE - LONG TERM FINANCIAL PLAN 2021/22 to 2030/31 AND ANNUAL BUDGET & BUSINESS PLAN 2021/22**

A report has been prepared for Council’s 15 December 2020 meeting, seeking endorsement of the proposed timetable for the annual review, consideration and adoption of the Long Term Financial Plan 2021/22 to 2030/31 and the Annual Budget and Business Plan 2021/22. The full Agenda report is available on Council’s website.

**RECOMMENDATION:**

That the Report be received and noted.
7.1.7 ADOPTED ENTERPRISE RISK MANAGEMENT POLICY AND FRAMEWORK

Further to Report 9.2.1 from the 21 October 2020 Audit Committee meeting, the revised Enterprise Risk Management Policy and proposed Enterprise Risk Management Framework were adopted by Council on 17 November 2020.

RECOMMENDATION:
That the Report be received and noted.
7.1.8 INFRASTRUCTURE ASSET MANAGEMENT PLAN - COMMUNITY CONSULTATION
B11500
A report has been prepared for Council’s 15 December 2020 meeting, seeking endorsement of the Communications Plan for the three week community consultation period for the 2020-2030 Infrastructure Asset Management Plan. The full Agenda report (and the IAMP attachment) is available on Council’s website.

RECOMMENDATION:
That the Report be received and noted.
7.1.9 EXTENSION OF APPOINTMENT OF INDEPENDENT MEMBERS PETER BRASS AND ELLEN EWING
B10476
Further to Report 7.1.8 from the 21 October 2020 Audit Committee meeting, Council, at its meeting held 17 November 2020, approved the extension of appointment of Mr Peter Brass and Ms Ellen Ewing for a further two year term.

RECOMMENDATION:
That the Report be received and noted.
7.1.10 MINUTES – NURIOOTPA CENTENNIAL PARK AUTHORITY AUDIT COMMITTEE

Attached are Minutes from the Nuriootpa Centennial Park Authority Audit Committee meeting held 14 October 2020.

RECOMMENDATION:
That the Report be received and noted.
Meeting opened at 12.30pm

1. **COMMENCEMENT**
   1.1 **Welcome**
   
   Dafydd Llewelyn, as Chairperson, welcomed everyone to the meeting.

   **Present**
   
   Committee: Dafydd Llewelyn (Independent Chair), Elaine Ratcliffe (Independent Member), Cr Tony Hurn, Guy Martin and Mark Lague (The Barossa Council, Appointed Officer).
   
   Invited: Tanya Pumpa (TP) (Business Manager, Minutes).

   1.2 **Apologies**
   
   Nil.

   1.3 **Declarations of Interest**
   
   Nil.

2. **CONFIRMATION OF PREVIOUS MINUTES**

   The Minutes of the Meeting held 3.6.2020 were tabled.

   **MOVED** Cr Tony Hurn that the Minutes of the Committee meeting held on 3rd of June 2020 be confirmed as a true and correct record of the proceedings of that meeting.

   **SECONDED** Guy Martin.  

   **CARRIED**

3. **BUSINESS ARISING FROM PREVIOUS MINUTES**

   The Action Register was tabled, discussed, and noted as an ongoing document. All three items are on the Agenda.

   *As the NCPA Auditor attendance by phone was scheduled for 1pm the Chairperson brought forward Agenda Items 6.5 and 6.6, and a review of the financial statements undertaken by the audit committee.*

4. **CONSENSUS AGENDA**

   4.1 **Audit Committee (AC) Work Plan 2020**
   
   The ongoing document was tabled. Remove “Draft” from 2.1 Oct-2020, and 6.3 and 6.4 should read “30 June 2020”, not 2019. Document received and noted.

   4.2 **Audit Committee (AC) Annual Activity Report 2020**
   
   The ongoing document was tabled for this current calendar year. Document received and noted.

   4.3 **Audit Committee (AC) Terms of Reference (TOR’s) – Version January 2020 – Signed**
   
   The current signed Audit Committee TOR’s – Version January 2020 were received and noted. There are pending legislative changes that could have an impact of the structure of the Audit Committee, so this document will be reviewed again after the relevant bill passes through parliament.
5. **DEBATE AGENDA**

5.1 **Delegations Document – With suggested edits / Response from Council Governance Officer**

The suggested amendments from the June 2020 meeting to the Delegations Document were provided to Council’s Governance Officer, Rugiyya Martin’s with the response as tabled being that NCPA obtain independent legal advice. The NCPA Charter is due to be reviewed, waiting on Council to commence this process. The Audit Committee recommend reviewing the Delegations Document during the same process as the Charter. Elaine Ratcliffe raised a few duplicated terms to add into the track-changed document.

5.2 **Internal Financial Controls – Draft Version 4**

The draft Financial Information Framework document Version 4 was tabled, and discussed. Tanya Pumpa commented that this document is yet to be finalised. Dafydd suggested the following further amendments:

- 4.6.5 supplier accounts “and any” differences investigated
- 4.6.7 stored securely “in” the Safe
- 4.6.11 which is reviewed “and signed off” by the Chairperson. Mark Lague to provide a sample of the forms used at Council when Masterfile changes are made with regards to Accounts Payable and Payroll. Changes to any bank details are not to be accepted in an electronic format, including on a tax invoice.
- 4.10.8 copies of all Tax Invoice“s”
- 4.11.6 State “are prepared by the Business Manager, reviewed and signed off by the Chairperson and Treasurer”
- 4.13.4 & 4.13.6 The loading up of payroll requires review.
- 4.13.11 Any changes to the payroll Masterfile are “to be approved and authorised by the Chairperson and Treasurer”. MYOB sends a notification email when changes are made to the Masterfile.
- 4.13.12 Line 2 “an ABA file” and line 3 “timesheets and reports”. Final payroll files are reviewed in softcopy by the Treasurer before being authorised.
- 4.14.7 Line 2 “rental price for the area” and line 3 “Report is prepared”
- 4.15.4 Review the process around the manual receipt books. Who has control over the unused books?
- 4.17.4 Line 4 “for inclusion in its quarterly budget”

**MOVED** Elaine Ratcliffe that we approve the document with the suggested changes as outlined.

**SECONDED** Guy Martin.

**CARRIED**

Guy Martin to sign the document after suggested changes have been made.

5.3 **Council’s Public Interest Disclosure – Policy & Process**

As per the Work Plan 5.1, the Audit Committee is to review the Public Interest Disclosure Policy and Procedure. The NCPA falls under Council’s umbrella as adopted by the NCPA Board (the Board). Council’s documents were tabled, received and noted. Council are not due to review these documents until 15.10.2021.

6. **NEW BUSINESS**

6.1 **NCPA Grand Plan – Updated 13.4.2020**

The NCPA Grand Plan, updated version 13.4.2020, was received and noted.

6.2 **NCPA Long Term Financial Plan (LTFP) – Updated 3.6.2020**

The NCPA LTFP – Updated 3.6.2020, as tabled, has passed through the Board and Council, with Council adopting it in July 2020. The final version has been tabled for the Audit Committee to sight. Received and noted.
6.3 **September Quarter Budget Review**
The September Quarter Budget Review, Capital and P&L, was tabled. Mark Lague noting the LGFA interest expense for 20-21 is $20,036 to be adjusted next review. This loan is now managed by Council and NCPA will be invoiced when payments are due. Depreciation to be reviewed at the December Quarter Review as asset revaluation is currently underway.

*Mark Lague to forward NCPA a loan repayment schedule.*

6.4 **Business Continuity Plan – Version 1 – August 2019**
The NCPA Business Continuity Plan Version 1 was tabled as per the Work Plan 4.2. It was suggested that some changes be made / added to the document to reflect the procedures adopted throughout the COVID-19 pandemic. Then update the review date, and review every two years.

6.5 **Phone Link-Up with Bentleys, David Papa (scheduled for 1.00pm)**
A phone link-up with David Papa, Bentleys Partner, commenced at 1.00pm. The report on Audit Findings was discussed. There were some concerns around the revaluation of the infrastructure asset class, but as this work is underway, and the Auditors were satisfied with the disclosure. The Draft General Purpose Financial Statements for 30 June 2020 were discussed, with the Audit Committee satisfied with the presented document. David Papa making comment there is a good financial team behind the work with high standards and are reliable. Everything presented as is should be with compliance requirements met. The basic processes with regards to internal control raise no concern. The phone link-up terminated at 1.10pm.

6.6 **NCPA Draft Financial Statements 30 June 2020 / Audit Management Letter**
As circulated by Mark Lague, separate to the Agenda, the NCPA Report on Audit Findings and Draft General Purpose Financial Statements for 30 June 2020 were discussed. Concerns were raised over the revaluation of infrastructure, refer Page 5 of the Audit Findings. This work did not proceed in 2019-20 due to COVID-19, but is currently underway. On the Draft Financial Statements 30 June 2020 the Donation of $100,000 was raised, and clarified at Note 1 on Page 9. Physical Resources Received Free of Charge on Page 16 is in reference to the Cricket Nets. On Page 17 Salaries and wages were lower than budget or last year actuals due to the standing down of all casual staff during the COVID-19. Page 18 has an increase in depreciation on previous year due to the Prider Street property and an internal building revaluation of this asset class, this internal revaluation also impacted the depreciation on land at Note 7, Page 21. The Financial Indicators at Note 14 was discussed and the ratio outcomes, which are more in line with local government and not so much this entity. Page 34 was discussed with regards to the new accounting standards. An existing operating leases were not captured as it is due to expire within a short time frame.

The Audit Committee having reviewed the Financial Statements for 30 June 2020 of the Nuriootpa Centennial Park Authority (the Authority), is of the opinion the statements present fairly the affairs of the Authority. And also that the certification of financial statements document is in order to be signed off as required.

**MOVED** Guy Martin

**SECONDED** Elaine Ratcliffe

**CARRIED**

6.7 **2020-21 Business Plan Executive Summary**
The 2020-21 Business Plan was tabled, being a high level summary of what the NCPA have budgeted and are planning to achieve. This document was received and noted.
6.8  **Procurement Policy 3.0**
The Procurement Policy, Version 3.0, was tabled as per the Work Plan at 1.4. The next review date on this document is October 2022. Received and noted.

6.9  **The Barossa Council’s Risk Management Policy**
The Barossa Council’s Risk Management Policy was tabled, with a review date of 17.11.2019. There are pending legislative changes that are holding up Council’s review, along with Council’s Risk Management Framework document. NCPA currently don’t have a Risk Management Policy or Framework document in place. It was agreed not to take action on this just yet and see what the outcome is with any new legislation, hold this over until we can get all sources of information.

6.10  **NCPA 2019-20 Variance Report**
The NCPA Variance Report for 30 June 2020 was received and noted.

6.11  **NCPA 2019-20 Annual Report**
The NCPA Annual Report for 30 June 2020 was received and noted. Mark Lague making note that the net operating deficit for the year was $54,036 and to amend this in the report before tabling at the NCPA Board Meeting next week.

7.  **DATE OF NEXT MEETING**
The date of the next meeting is set for Thursday the 10th of December 2020 at 12.30pm.

8.  **CLOSE**
Chairperson, Dafydd Llewelyn, declared the meeting closed at 2.55pm.

Confirmed at Audit Committee Meeting -

**DATE:** ..................................................  **CHAIRPERSON:** ..................................................