



**MINUTES OF THE WHYALLA CITY COUNCIL AUDIT AND RISK COMMITTEE MEETING
FRIDAY 19 JUNE 2026 AT 10.00 AM
HELD ONLINE**

PRESENT: Mr L Kozlovic (*chair*), Mr R Bria, Mr D Powell, Cr P Klobucar

OFFICERS IN ATTENDANCE: Chief Executive Officer (*Mr J Commons*)
General Manager Corporate Services (*Ms S King*)
Manager People and Culture (*Mrs E Papoulis*)
Manager Finance and Knowledge Management (*Mr G Jennings*)
Manager City Operations (*Mr C Sharp*)
People and Culture Business Partner (*Ms L Green*)
Finance Coordinator (*Mrs S Vigar*)
Executive Co-Ordinator – Infrastructure (*Ms N Jarvis*)
BDO (*Ms T Occhiuto*) – For Items 3.5 and 3.6
BDO (*Mr P Horsman*) – For Items 3.5 and 3.6

OBSERVERS: Mayor P Stone

ACKNOWLEDGEMENT

The Chair acknowledged that the meeting was being held on Barngarla and Kaurna land and gave thanks for the use of this land.

1. STANDING ITEMS

1.1 Welcome and Apologies

Apologies – Nil
Leave of Absence – Nil

1.2 Declaration of Members' Conflict of Interests

Nil

1.3 Minutes of Previous Meeting – Friday 10 April 2026

Moved Mr R Bria, seconded Mr D Powell

AC622-2026

That the Audit and Risk Committee confirm the minutes of the Audit and Risk Committee Meeting held on 10 April 2026 as a true and correct record of the meeting.

Carried

1.4 Business arising from Previous Meetings – as at 19 June 2026

A Service Catalogue is currently being compiled with expected completion by the end of the month. Discussions have taken place with Peter Smith who has walked Executive through the methodology of the option of undertaking service reviews inhouse rather than externally.

Moved Mr R Bria, seconded Mr D Powell

AC623-2026

That the Audit and Risk Committee:

Note the progress of actions taken to address items of business arising from previous meetings of the Audit and Risk Committee as well as external reviews.

Carried

2. ITEMS FOR DECISION

2.1 Review of Finance Policies

The Manager Finance and Information Technology introduced this item advising that very minor changes have been implemented on the three policies.

Feedback from the committee was for the Budget Management Review Policy:

- 3.1 – when referencing the Strategic Management Plans – define these plans
- Regarding the Draft Business Plan – reference ESCOSA as this needs to be taken into consideration
- 3.3 – with reference to variations outside of the scope – list the exemptions

Moved Mr R Bria, seconded Cr P Klobucar

AC624-2026

That the Audit and Risk Committee:

1. recommends the updated Budget Management and Review Policy to Council for adoption with minor amendments;
2. recommends the updated Treasury Management Policy to Council for adoption;
3. recommends the updated Financial Hardship Policy to Council for adoption; and
4. notes the current Debtor Management Procedure, with this document not requiring Audit and Risk Committee review in the future, instead being internally reviewed as required.

Carried

2.2 Close Loan Facility

The Manager Finance and Knowledge Information introduced this item advising that following a review of CAD facilities and LTFP projections, the LGFA had recommended closure of this loan.

The Committee recommended that given there is only 1 ½ years remaining on the loan, it should run its natural course, rather than closing it. This would provide a buffer for Council with zero downside and risk.

Moved Mr R Bria, Mr D Powell

AC625-2026

The Audit and Risk Committee has reviewed the proposal to close Cash Advance Debenture 141 held with the Local Government Finance Authority and does not find it necessary to close in advance of its natural expiry however Council may still consider this item.

Carried

Ms T Occhiuto and Mr P Horsman (BDO) joined the meeting at 10.39am

*The Chair sought leave of the meeting to alter the order of the Agenda
Leave of the meeting was granted*

3.5 Human Resource Planning and Management

The Manager People and Culture introduced this item advising that Council has undertaken a HR Planning and Management Review as part of the internal audit program and engaged BDO to undertake this review. It was noted that the Report is in draft form and is yet to be presented to the Executive Leadership Team after which the finalised document will return to the Audit and Risk Committee.

Mr Horsman advised that the objective was to build a risk and control matrix and map what Council is doing against core objectives of the workforce planning function with the result being *partially effective*. There were many good practices observed but also a number of improvement opportunities.

Ms Occhiuto noted good practices around PDP completion rates (although the PDP itself requires further guidance around process for completion for consistency) and also organisational culture development with a significant amount of work occurring around culture values and developing a Culture and Leadership Plan.

A key area for improvement is around strategic workforce planning which is not in place currently. While a talent management strategy was developed last year this is still a work in progress and requires attention. Identified resource allocation and succession planning is also in need of attention, along with employee value proposition and ability to attract capability.

A number of policies and procedures are still in draft form and earmarked for development.

While Work Health Safety Training is very important, some documentation around requirements could be broadened and have a more organisational view rather than just focusing on WHS.

The Health and Wellbeing vision statement is detailed but would benefit from a policy and action plan to ensure initiatives detailed are implemented.

A high-level review of Mandatory Training was undertaken, and some gaps were identified in meeting requirements, particularly around more high-risk competencies.

Feedback from the committee:

- Mandatory Training should be a high risk if not completed
- Management actions should be linked to a roadmap and risk should be classified consistent with Council's Risk Framework.
- There are many actions and work needs to be done to identify which actions give the organisation the most benefit and value and prioritise these.
- Large high-risk actions need to be broken down into management pieces.
- An agreement needs to be reached as to how timing correlates with high, moderate and low risks.
- The preference of the committee is to be involved in the initial scoping of the program and then seeing final outcomes rather than working through a draft.

Moved Mr D Powell, seconded Mr R Bria

AC626-2026

The Audit and Risk Committee note the Human Resources, Planning and Management Review.

Carried

3.6 External Stakeholder Relationship Management

The Manager Finance and Knowledge Management introduced this item with a proposed scope and methodology for this next external audit item.

The Committee cautioned that the current available resources need to be taken into consideration when outcomes are reviewed and need to be managed accordingly. A maturity model for this audit was suggested with targeted directions. Consideration is to be given as to who our stakeholders are and how we communicate with them to ensure that it is fit for our environment. Significant projects across Council have been mainly due to funding from external stakeholders so that needs to be the area of focus that will drive the largest impacts and outcomes for Whyalla going forward. A survey tool to key stakeholders around their perception of our maturity would be helpful.

Moved Mr D Powell, seconded Cr P Klobucar

AC627-2026

The Audit and Risk Committee note the internal audit scope for the External Stakeholder Relationship Management Review.

Carried

Ms T Occhiuto and Mr P Horsman left the meeting at 11.12am

2.3 Change of Third Quarter Meeting Date

Moved Mr D Powell, seconded Cr P Klobucar

AC628-2026

The Audit and Risk Committee endorse the rescheduling of the July 24 meeting to the following date, noting a leave of absence for Roberto Bria:

August 28, 2026

Carried

3.0 ITEMS FOR NOTING

3.1 Budget Review 2025/26 Quarter 3

The Manager Finance and Knowledge Management introduced this item advising that a significant amount of work has been done to bring the budget in as neutral as possible and maintain Council's previous budget position from the mid-year review which was achieved.

The committee noted that the key financial indicator reviews were useful as was the split between Council excluding airport and including airport.

Moved Mr R Bria, seconded Mr D Powell

AC629-2026

The Audit and Risk Committee note the Budget Review 2025/26 Quarter 3

Carried

3.2 Receive Interim Management Report

The Manager Finance and Knowledge Management introduced this item advising that this is the first interim audit with the new auditors, Galpins. Nothing of concern was raised and anything minor has been rectified. Good conversation with Galpins has taken place around the airport and they were supportive of Council's position of the airport funding more than 50% of it's depreciation would mean it would be considered viable. Additional tables show what a modified operating result looks like, and this is what we target and measure and will be added as a line to the Budget Review Report.

Moved Mr D Powell, seconded Cr P Klobucar

AC630-2026

The Audit and Risk Committee

1. receive and note the Interim Management Report, including management's feedback; and
2. accept the interim audit outcomes as closed, noting that all items raised are either minor in nature or already part of existing work program

Carried

3.3 Quarterly Procurement Report

The Manager Finance and Knowledge Management introduced this item advising of a significant number of tender activity in the period following Christmas with many of these now closed.

The committee questioned the need to review the Procurement Policy given the large number of exemptions. The policy is due for review with the new council, and this will be taken into consideration, along with the possible need to raise some thresholds.

The committee also requested a change to the table advising who has authorised exemptions confirming that the request has been reviewed and approved.

Moved Mr D Powell, seconded Cr P Klobucar

AC631-2026

The Audit and Risk Committee receive and note the Quarterly Report – Procurement for the period 1 January to 31 March 2026.

Carried

3.4 People and Culture Metrics

The Manager People and Culture introduced this item advising that this report initially went to the Audit and Risk Committee in October 2025, seeking an agreement on the data to be presented. Feedback is now sought from the committee.

It was noted that the average turnover rate has increased, and it was advised that this is mostly due to planned retirement.

Encouraging to see the turnover dropping and the survey appears reasonable. The rate of Lost Time Injury (LTI) days has increased, and this is due to a recently approved psychological injury claim which was backdated to September 2024 and so has significantly contributed to the LTI days.

Mitigations have been put in place; a psychosocial risk procedure is in place, inductions to ensure managers are skilled in this area, HSRs take a specific People at Work training around return to work, and all staff are inducted on psychosocial risk. This has also been addressed in our cultural development planning. A gap analysis has also taken place. An industrial investigation has also taken place around this issue, and no misconduct has been identified, however, improvements have been put in place.

Moved Mr R Bria, seconded Cr P Klobucar

AC632-2026

That the Audit and Risk Committee note the reports against the CEO's KPI targets and provide feedback for any additional information requested in the bi-annual reporting

Carried

3.7 Update on Risk Management Policy Framework

The Manager People and Culture introduced this item seeking feedback on the framework.

The committee advised that best practice in rating risk would involve three levels: inherent, current and target. This is consistent with whole of government guidelines and is a useful tool when aligning with risk appetite. The third level (target) is a better way to assess risk and see trends in terms of a treatment plan. The current risk matrix is also risk averse with 8 squares being extreme which is inconsistent across the board. There is also the ability to move one square on the diagonal and move down two levels from extreme to medium or high to low. The current matrix creates extreme outcomes which are not realistic nor representative of the issues. *Significant* should also be altered to *Critical*.

Moved Mr D Powell, seconded Cr P Klobucar

AC633-2026

The Audit and Risk Committee note the status of the Risk Management Framework and acknowledges the supporting work occurring to progress Council's overall risk maturity, noting further feedback is to be incorporated hereafter.

Carried

3.8 Operational Resource Capacity and Open Space Service Levels Review

The Manager Operations introduced this item advising that his report was presented to Council and is now in its trial period.

Moved Cr P Klobucar, seconded Mr R Bria

AC634-2026

The Audit and Risk Committee note the "Operational Resource Capacity and Open Space Service Levels Review" Report

Carried

Mr C Sharp, Ms L Green and Ms S Vigar left the meeting at 12.13pm

4. CONFIDENTIAL ITEMS

4.1 Verbal Update on Council Business and City Developments – Confidential

Moved Mr R Bria, seconded Cr P Klobucar

AC635-2026

Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Grant Jennings; Manager Finance and Knowledge Management, Elisha Papoulis; Manager People and Culture and Naomi Jarvis; Executive Coordinator – Infrastructure for Agenda Item 4.1 – “*Verbal Update on Council Business and City Developments*”.

The Audit and Risk Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Council will receive and consider matters that must be considered in confidence in order to ensure that the Council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty.

Carried

Moved Mr R Bria, seconded Cr P Klobucar

AC636-2026

That the Audit and Risk Committee

1.

2. In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, the Audit and Risk committee orders that this report at Item 4.1, “*Verbal Update on Council Business and City Developments*”, the Appendix to this report, and the minutes pertaining to this item having been considered in confidence under Section 90(2) and (3)(g) of the Act be kept confidential and not available for public inspection to ensure that the Council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligations or duty. This order is to remain in force until February 2031, notwithstanding that it will be reviewed annually in February of each year.

Carried

4.2 Update from Council Representative – Confidential

Moved Mr R Bria, seconded Mr D Powell

AC637-2026

Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Grant Jennings; Manager Finance and Knowledge Management, Elisha Papoulis; Manager People and Culture and Naomi Jarvis; Executive Coordinator – Infrastructure for Agenda Item 4.2 – “*Update from Council Representative.*”

The Audit and Risk Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the committee will receive and consider matters that must be considered in confidence in order to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligations or duty.

Carried

Moved Cr P Klobucar, seconded Mr D Powell

AC638-2026

That the Audit and Risk Committee:

- 1.
2. In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, the Audit and Risk Committee orders that this report at Item 4.2, “*Update from Council Representative*”, the appendix to this report and the minutes pertaining to this item having been considered in confidence under Section 90(2) and (3)(g) of the Act be kept confidential and not available for public inspection to ensure that the Council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty. This order is to remain in force until February 2031, notwithstanding that it will be reviewed annually in February of each year.

Carried

4.3 Meeting Review

Moved Cr P Klobucar, seconded Mr D Powell

AC639-2026

Pursuant to Section 90(2) and (3)(g) of the Local Government Act 1999, the Audit and Risk Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Grant Jennings; Manager Finance and Knowledge Management, Elisha Papoulis; Manager People and Culture and Naomi Jarvis; Executive Coordinator – Infrastructure for Agenda Item 4.3 – Meeting Review.

The Audit and Risk Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the committee will receive and consider matters that must be considered in confidence in order to ensure that the Committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence or other legal obligations or duty.

Carried

Moved Cr P Klobucar, seconded Mr D Powell

AC640-2026

That the Audit and Risk Committee:

- 1.
2. In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, the Audit and Risk Committee orders that this report at Item 4.1, “*Meeting Review*”, the Appendix to this report and the minutes pertaining to this item having been considered in confidence under Section 90(2) and (3)(g) of the Act be kept confidential and not available for public inspection to ensure that the committee does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligations or duty. This order is to remain in force until February 2031, notwithstanding that it will be reviewed annually in February of each year.

Carried

5. MOTIONS WITH NOTICE

Nil

6. MOTIONS WITHOUT NOTICE

Nil

7. DATE OF NEXT MEETING – 28 August 2026

8. CLOSE – Meeting closed at 1.08pm

Confirmed:
Presiding Member – August 2026