MINUTES OF THE WHYALLA CITY COUNCIL AUDIT AND RISK COMMITTEE MEETING
FRIDAY 9 OCTOBER 2026 AT 8.00 AM
HELD AT WHYALLA CITY COUNCIL, 21 GRUNDEL STREET, WHYALLA

PRESENT:	Mr L Kozlovic (*chair*), Mr R Bria, Mr D Powell, Cr P Klobucar *(via Teams)*
OFFICERS IN ATTENDANCE:	Chief Executive Officer *(Mr J Commons)* General Manager Corporate Services *(Ms S King)* General Manager City Growth *(Mrs J Perone) (via Teams)* General Manager Infrastructure *(Mr P Day) (via Teams)* Manager People and Culture *(Mrs E Papoulis)* Manager Assets and Planning *(Mr Y Khan) (via Teams) (from 9.31am)* Finance Coordinator *(Mrs S Vigar) (from 9.00am)* Galpins *(Mr T Muhlhauser) (via Teams For Item 2.1)*
OBSERVERS:	*Mayor P Stone (via Teams)* *Deputy Mayor T Pond (via Teams)*

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 – Mr R Bria
Leave of Absence – Nil

1.2 Declaration of Members' Conflict of Interests

Nil

1.3 Minutes of Previous Meeting – Friday 28 August 2026

Moved Mr D Powell, seconded Cr P Klobucar

AC667-2026

That the Audit and Risk Committee confirm the minutes of the Audit and Risk Committee Meeting held on 28 August 2026 as a true and correct record of the meeting.

Carried

1.4 Business arising from Previous Meetings – as at 9 October 2026

Moved Mr D Powell, seconded Cr P Klobucar

AC668-2026

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

1.5 Committee Members/Staff/Auditors Discussion *(if required)*

8.10am all staff and Management left the meeting

The Audit and Risk Committee met with the Auditors without Management present

8.30am all staff and Management returned to the meeting

The Chair sought leave of the meeting to adjust the order of the Agenda and bring forward Item 2.1
Leave of the meeting was granted.

2.1 Review Annual Financial Statements

This item was introduced by the General Manager Corporate Services in the absence of the Finance Coordinator. Following the completion and submission, no areas of concern have been identified. It should be noted that the operating surplus showing, is a result of the timing of the receipt of financial assistance grants and that this should be noted in an amended recommendation along with a comment around the risks that accompany operating with underlying deficits.

Mr Muhlhauser of Galpins advised that the financial statements and internal financial controls are unmodified with only one low risk finding around some excessive annual leave balances over 4 employees and this will be monitored over the next five years to ensure this does not trend upwards.

Moved Mr D Powell, seconded Cr P Klobucar

AC669-2026

The Audit and Risk Committee:

1. in accordance with Section 126(4) of the Local Government Act 1999, advise that it has reviewed the draft Annual Financial Statements of the Council for the financial year ended 30 June 2026 and is satisfied that they present fairly the state of affairs of Council;

2. advise Council's Auditor that it has reviewed the Annual Financial Statements of the Council for the financial year ended 30 June 2026 and is satisfied that they present fairly the state of affairs of Council; and

3. note that the reported operating surplus is associated with the advance payment by the Federal Government of the Financial Assistance Grants, whereas the underlying results as presented in the adjusted ratios reflect the actual financial position of Council, and

3. note the Audit Completion Report from Galpins for the financial year ended 30 June 2026

Carried

Mr T Muhlhausler left the meeting at 8.40am

1.6 Verbal Update on Council Business and City Developments – Confidential

Moved Cr P Klobucar, seconded Mr D Powell

AC670–2026

Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Paul Day; General Manager Infrastructure and Ellisha Papoulis; Manager People and Culture, be excluded from the meeting as the 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 obligation or duty.

Carried

Moved Mr D Powell, seconded Cr P Klobucar

AC671-2026

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 *Item 4.3 - 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 committee 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 for until February 2032 notwithstanding that it will be reviewed annually in February of each year.

Carried

Mrs S Vigar joined the meeting at 9.00am

2. ITEMS FOR DECISION

2.2 Develop Work Program for Next 12 Months

The General Manager Corporate advised that given discussions at the Workshop around Local Government Elections, the April Special Audit and Risk Meeting date will be amended to a mutually agreed date in March. All dates will be added to calendars.

Moved Mr D Powell, seconded Cr P Klobucar

AC672-2026

That the Audit and Risk Committee approves the indicative work program for 2027.

Carried

Circulate revised Meeting Schedule and Work Program and add 2027 dates to calendars.

2.3 Audit and Risk Committee Annual Report to Council

The General Manager Corporate introduced this item advising that all committee activities had been included in this report for submission to Council.

The committee advised of some minor amendments to be made to the report, including a column advising of the number of eligible meetings against each committee member.

Moved Mr D Powell, seconded Cr P Klobucar

AC673-2026

That the Audit and Risk Committee:

1. provide feedback on the outline and content to be included in the 2026 Audit and Risk Committee Annual Report to Council provided at Attachment 1 to this report.
2. requests the Chair of the Audit and Risk Committee to finalise the Annual Report on the Committee's behalf considering the feedback received and when finalised, refer the report '2026 Audit Committee Annual Report' to Council at the 19 October 2026 Ordinary Council Meeting.
3. provide a verbal presentation to Council on the 19 October 2026 summarising the Committee's views on financial sustainability, critical risks, control environment and the operations of the Committee over the last 12 months

Carried

2.4 Review Annual Business Plan and Budget Parameters and Process for the Following Year

Moved Mr D Powell, seconded Cr P Klobucar

AC674-2026

The Audit and Risk Committee:

1. recommends to Council the proposed process and parameters for the development of the 2027/28 budget process.
2. notes that if the development of the 2027/28 budget process including revised timelines is adopted by Council, the Audit and Risk Committee meeting normally held in April will be brought forward by 1 month to occur on Friday 5 March 2027 and the Audit and Risk Committee Meeting Schedule will be adjusted accordingly.

Carried

2.5 Review Quarterly Budget Reports

The General Manager Corporate introduced this item, advising that it is a requirement under the Local Government Financial Management Regulations to provide an update on the budget including revised forecasts for council's operating and capital investment activities.

The General Manager Infrastructure advised that the percentage of carry over on projects was quite high previously however, the focus this year is ensuring a high number of projects completed. This will continue to improve with planning commencing earlier moving forward. The CEO also added that around 86% of capital projects were completed last year.

Moved Mr D Powell, seconded Cr P Klobucar

AC675-2026

The Audit and Risk Committee:

1. noting that a number of parameters are outside the recommended range, namely operating result, asset renewal and end of year cash balance, Council should be mindful of sustainability challenges and management continue to maintain tight financial expenditure management, capital works delivery, and critically review service levels.

2. in the above-mentioned context, recommend the Budget Review incorporating the Financial Results 2025/26, identifying an operating deficit of $1,605,000 and an estimated cash position at end of reporting period of $253,000, be submitted to Council for adoption; and

3. recommend that the 2026/27 Annual Business Plan and Budget and Long-Term Financial Plan be amended to reflect the variances and identify measures to be implemented to enable Council to operate with financial target parameters set.

Carried

Mr Y Khan joined the meeting at 9.31am

2.6 Review Budget vs actual

Moved Cr P Klobucar, seconded Mr D Powell

AC676-2026

The Audit and Risk Committee recommends the financial results compared with the estimated financial result of Council for the financial year ending 30 June 2026, be presented to Council.

Carried

2.7 Review Draft Strategic Risks

The Manager People and Culture introduced this item advising that the purpose of the report is to provide an update against Council's Risk Framework and activities over 2025/26 and also in relation to the strategic risks. The Strategic Risk Register looks at current causes, controls and assess consequences and then current and target risks.

Management to add inherent risk, current risk and target risk to the Strategic Risk Register.

The Airport and the Whyalla Early Learning Centre to be included in the Strategic Risk Register.

Moved Mr D Powell, seconded Cr P Klobucar

AC677-2026

That the Audit and Risk Committee:

1. notes Council's progress in strengthening its risk management; and
2. recommend inherent risk, current risk and target risk be added to the summary strategic risk register
3. given the material inherent risk associated with Council's business undertakings associated with operating the airport and the Early Learning Centre, that this be included in Council's Strategic Risk Register.
2. subject to any feedback on the proposed eight strategic risks (Attachment 3), be recommended to Council for adoption.

Carried

Mayor Phill Stone left the meeting at 9.49am

2.8 Receive and Consider Performance Assessment Report Including any Professional Development Needs

Moved Mr D Powell, seconded Cr P Klobucar

AC678-2026

That the Audit and Risk Committee:

1. Receive and note the Performance Assessment Report

Carried

2.9 Review the Committee's Terms of Reference

Moved Mr D Powell, seconded Cr P Klobucar

AC679-2026

That the Audit and Risk Committee provides feedback and adopts the revised Audit and Risk Committee Terms of Reference provided at Attachment 1.

Carried

2.10 Change of October 2027 Date

Moved Mr D Powell, seconded Cr P Klobucar

AC680-2026

The Audit and Risk Committee endorses the rescheduling of the October 2027 joint workshop and meeting from Friday 22 October 2027 to Thursday 7 October 2027 and Friday 8 October 2027 respectively.

Carried

3.0 ITEMS FOR NOTING

3.1 Quarterly Procurement Report

Moved Mr D Powell, seconded Cr P Klobucar

AC681-2026

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

Carried

3.2 Review and Monitor the Program of Service Reviews

The General Manager Corporate introduced this item advising that Service Reviews were previously undertaken by BDO but now have moved to being undertaken internally with an independent advisor, including a train the trainer model. The first two identified reviews are Customer Service and Regulatory Services with workshops taking place next week.

Moved Mr D Powell, seconded Cr P Klobucar

AC682-2026

That the Audit and Risk Committee:

1. notes progress in establishing the internally facilitated service review program and the proposed phased rollout over three years;
2. notes the governance and assurance controls proposed to manage actual or perceived conflicts of interest and maintain objectivity; and
3. requests periodic reporting on the review pipeline, material findings, implementation of agreed actions, realised benefits and use of external assurance.

Carried

3.3 People and Culture Metrics

The Manager People and Culture introduced this item advising that the key items are a reduction in staff turnover, a slight reduction in the average age but noting that the 55-64 ages make up the biggest cohort. Also of note is that while KPIs can be perceived to be doing well, for example, the Loss Time Injury statistics may be down, the costs associated with these are quite substantial.

Moved Mr D Powell, seconded Cr P Klobucar

AC683-2026

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

3.4 Review CEO's Annual Report on the Effectiveness of the Organisation's Culture

Moved Mr D Powell, seconded Cr P Klobucar

AC684-2026

That the Audit and Risk Committee:

1. note the CEO's 2025/26 organisational culture KPI milestones were achieved;
2. note that implementation of the Culture and Leadership Development Plan is progressing, with priority on improving perception of leadership;
3. note the August 2026 Culture Pulse Survey findings and associated limitations arising from the 43% response rate;
4. note the identified cultural risks and management actions being taken; and
5. recommends the report to the Ordinary Council Meeting as evidence of progress against the relevant CEO KPI requirements.

Carried

4. CONFIDENTIAL ITEMS

4.1 Update from Council Representative – Confidential

Moved Mr L Kozlovic, seconded Mr D Powell

AC685-2026

That Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Jodie Perone; General Manager City Growth, Paul Day; General Manager Infrastructure and Ellisha Papoulis; Manager People and Culture, be excluded from the meeting as the 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 obligation or duty.

Carried

Moved Mr L Kozlovic, seconded Mr D Powell

AC686-2026

That the Audit and Risk Committee:

1.
2. In accordance with Section 91(7) and (9) of the *Local Government Act 1999*, Council orders that this report *Item 4.1 – 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 committee 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 for until February 2032 notwithstanding that it will be reviewed annually in February of each year.

Carried

4.2 Meeting Review – Reflections and Comments – Confidential

Moved Mr D Powell, seconded Cr P Klobucar

AC687-2026

That Pursuant to Section 90(2) and (3)(g) of the *Local Government Act 1999*, the Audit and Risk Committee orders that all persons present, with the exception of Justin Commons; Chief Executive Officer, Sue King; General Manager Corporate Services, Jodie Perone; General Manager City Growth, Paul Day; General Manager Infrastructure and Ellisha Papoulis; Manager People and Culture be excluded from the meeting as the 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 obligation or duty.

Carried

Moved Mr D Powell, seconded Cr P Klobucar

AC688-2026

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 *Item 4.2 - 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 obligation or duty. This order is to remain in force for until February 2032 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 – 12 February 2027 at 9.00am

8. CLOSE – Meeting closed at 10.25am

Confirmed: ……
Presiding Member – February 2027