



Corporate Governance Committee Annual Report **2022/23**

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1. Introduction

This Annual Report documents the operation and activities of the City of Playford Corporate Governance Committee from 1 July 2022 to 30 June 2023.

Council's Corporate Governance Committee reviews and monitors the integrity of Council, including financial statements, internal controls, audit and risk management systems and strategic management plans.

The Committee is comprised of five (5) members consisting of the Mayor, one (1) Council Member and three (3) Independent Members. A significant review of the Committee's Charter was undertaken in preparation for the General Election. In November 2022, as a result of the review, Council appointed a Deputy Member for the purpose of attending meetings where the Mayor, or appointed Council Member are unable to attend.

The term of the Council Members' appointment is generally for two years but does not exceed the next General Election. Independent Members appointed to the Committee may carry over past an election term.

The Presiding Member must be an Independent Member and will be determined by the Committee for a period of two years, after which they may stand for re-election.

Independent Members of the Committee are appointed to bring current and relevant experience and their capacity to act as a mentor to the Council Members of the Committee.

Independent Members of the Corporate Governance Committee are paid for their services and are remunerated in accordance with the Committee's Charter.

During the 2022/23 financial year, the Committee's membership remained unchanged, with Council reappointing Mr Peter Brass as an Independent Member representative in January 2023. Mr Mark Labaz continues in the position of Presiding Member, as resolved by the Committee on 3 May 2022 (Resolution 4985).

Mayor Glenn Docherty continues his role as a Mayor representative with Cr Shirley Halls remaining appointed as the Council Member representative following their reappointment to Council in the November 2022 General Election. Cr Jane Onuzans was appointed as Deputy Member.

The table below provides a summary of current Committee Membership and Term of Office details:

Term of Office

Appointed Member	Endorsed by Council	Term Concludes
Mr Mark Labaz	22 February 2022	31 March 2024
Mr Martin White	22 February 2022	31 March 2024
Mr Peter Brass	24 January 2023	31 March 2025 <i>(reappointed – initial term expired on 31 March 2023)</i>
Mayor Glenn Docherty	29 November 2022	30 November 2024
Cr Shirley Halls	29 November 2022	30 November 2024
Cr Jane Onuzans <i>(Deputy)</i>	29 November 2022	30 November 2024

In November 2022, the Corporate Governance Committee Charter was updated to include the appointment of a Deputy Member for the purpose of attending meetings where the Mayor, or appointed Council Member are unable to attend a meeting.

The Corporate Governance Committee Charter was updated in November 2022 in line with the coming changes as part of the *Statutes Amendment (Local Government Review) Act 2021* ('LG Reform') and the findings of the external assessment completed in September 2022 by UHY Haines Norton. The LG Reform changes will come into effect in November 2023.

2. Role of the Committee

The purpose of Council's Corporate Governance Committee is to provide independent assurance and advice to Council on accounting, financial management, internal controls, risk management and governance matters.

3. Meetings

The Corporate Governance Committee meetings are held on the first Tuesday of the month, and during 2022/23, commenced at 5:00pm. The Committee meets a minimum of six times per annum and occur at least quarterly. The schedule is determined by the Committee in their workplan.

During the 2022/23 period, the Committee held six meetings with the average meeting lasting 1 hour and 39 minutes.

The Committee considered 34 reports and 4 Informal Discussion items from 1 July 2022 to 30 June 2023. The Committee went into confidence on nine occasions to discuss matters that the Committee considered necessary to consider in confidence. A list of Committee Items is provided at Appendix 1.

3.1 Presiding Member

The Presiding Member oversees the conduct of the Corporate Governance Committee meetings in accordance with the *Local Government Act 1999* and Code of Practice for Council and Committee Meetings. Their role ensures that all Committee Members have the opportunity to participate in debate and discussions in an open and encouraging manner.

At the May 2022 Corporate Governance Committee meeting, the Committee appointed Mr Mark Labaz as Chair for a 12-month period.

3.2 Record of Attendance

The below table provides the record of attendance for Corporate Governance Committee meetings held from July 2022 to June 2023.

Appointed Member	Total Number of Meetings	Attendance	Attendance Rate
Mr Mark Labaz	6	6	100%
Mr Martin White	6	6	100%
Mr Peter Brass	6	6	100%
Mayor Glenn Docherty	6	5	83%
Cr Shirley Halls	6	5	83%
Cr Jane Onuzans (Deputy)	1	1	100%

There was one occurrence where the Deputy Member was required to attend a meeting where the Mayor, or appointed Council Member were unable to attend during this period.

3.3 Administration Support

An Executive Officer (EO) is appointed by the CEO to support the administration and operation of the Committee. The Executive Officer and relevant staff are available to provide advice during the meeting as required to aid informed decision making. The General Manager Corporate Services held the EO position during 2022/23.

The CEO has appointed a Minute Taker and Council's Governance team provide administration support, preparing and distributing agendas and meeting papers in advance of the meetings as per legislation. Minutes were publicly available within five days of the meeting as per the requirements of the *Local Government Act 1999*.

4. Charter Review and Update

In line with the Corporate Governance Committee Charter, in the year leading up to a General Election, the Committee undertake an external review of the Committee's effectiveness.

This review was undertaken in the 2021/22 financial year with the report provided to the Corporate Governance Committee on 4 October 2022.

The review noted there had been significant improvement in the Committee's Charter and activities since their previous assessment in 2018.

The external assessment set out recommendations for the new Council to consider when they established the Council Committee Structure and Corporate Governance Committee Charter following the 2022 Local Government Elections in November.

Amendments to the Committee Charter based on recommendations made in relation to the structure of the Committee, and the upcoming legislative reform, were presented and adopted by Council in November 2022. Other recommendations are considered by the Committee as part of their committee work plan, reviewed at each meeting.

5. 2022/23 Self-Assessment

In accordance with the Committee's Charter, members undertook their annual Self-Assessment for the 2022/23 financial year in August 2023 to consider the ongoing role and effectiveness of the Committee and to report any recommendations to Council as required.

Outlined below are the topics targeted in the Self-Assessment relating to the Committee's Terms of Reference as outlined in the Corporate Governance Committee Charter and a brief summary of feedback provided via the self-assessment. A breakdown of the survey responses is provided in Appendix 2.

5.1 Committee Composition and Effectiveness

Membership and composition of the Committee

- Majority of responses received from the Committee demonstrated positive views on the membership and composition of members.

Effectiveness of the meetings

- Consistent scores were received from the Committee on the effectiveness of meetings.

Other activities undertaken by the Committee

- Consistent scores were received from the Committee in relation to other activities undertaken by the committee.

On average, 72% of responses from members were in strong agreeance to the above.

5.2 Financial Reporting

The Committee received several accounting policies for review throughout the 2022/23 financial year; providing their input and making recommendations which have since been endorsed by Council.

The Committee reviewed Council's 2021/22 annual financial statements including asking questions of the External Auditor and management, ensuring they accurately presented the position of the Council prior to adoption by Council.

Advice was also provided to Council to assist in making its decision with respect to preparing the budget to deliver the 2023/24 Annual Business Plan.

Self-Assessment Feedback:

- All members strongly agree that reviews of financial statements presented by management together with reports and options from the external auditor were undertaken in accordance with the Committee's Charter.
- Overall, 75% of members indicated strong agreeance to the Committee undertaking the required financial reporting activities. Commentary provided as part of the self-assessment identified that reviewing the financial position of Council was done well by the Committee. It was also noted that engagement with Council on significant issues, in particular Council's Long Term Financial Plan should continue to be improved.

5.3 Internal Control, Internal Audit and Risk Management Systems

The Committee received, reviewed, and provided feedback on Councils risk management systems through reports including the risk evaluation action plan, strategic risk reports, and internal audit reporting on business continuity planning, governance, and delegation.

Each report was thoroughly considered by the Committee with regular feedback to staff provided, including the addition of risk ratings on all audit findings for future audits and linking the audit plan to the strategic risk register.

Self-Assessment Feedback:

- Responses varied regarding the Committees assessment of their involvement in monitoring changes in economic and business environment and considering possible impacts to Council's risk profile. The self-assessment provided mixed results to receiving updates regarding the Public Interest Disclosure process and review of anti-fraud and corruption policies and strategies with some in strong agreeance that they were considered, whilst others somewhat agreed or strongly disagreed.
- The Committee has had robust discussion on numerous important issues and provided valuable input to the Executive. The Committee has provided pertinent recommendations to Council and improved communication with the Chamber.

Appendix 1 | 2022/23 Committee Agenda Items

Meeting Date	Report Title	Report Type
Aug-22	Hardship Policy and Procedure and Debt Recovery Procedure	Decision Report
Aug-22	Risk Evaluation Action Plans Update	Information Report
Aug-22	Strategic Risk Report	Information Report
Aug-22	Chief Executive Officer Update	Information Report
Aug-22	Business Continuity Planning Internal Audit Report	Information Report
Aug-22	Governance and Delegation Internal Audit Report	Information Report
Aug-22	Risk Management Framework Internal Assurance Report	Information Report
Aug-22	Internal Audit Status update and Internal Audit Plan	Information Report
Aug-22	External Audit - Interim Report	Information Report
Aug-22	Committee Self-Assessment (External Assessment)	Information Report
Aug-22	CBD Development Update	Information Report – Confidential Matters
Sep-22	Internal Audit – Internal Controls	Informal Discussion – Confidential Matters
Oct-22	Adoption of 2021/22 Financial Statements	Decision Report
Oct-22	External Assessment of the Corporate Governance Committee	Decision Report
Oct-22	2021-22 Corporate Governance Committee Annual Report	Information Report

Meeting Date	Report Title	Report Type
Oct-22	2022-23 Insurance Portfolio	Information Report
Oct-22	Internal Audit Status update and Internal Audit Plan	Information Report
Oct-22	Chief Executive Officer Update	Information Report – Confidential Matters
Oct-22	Findings of External Audit <i>(included presentation by External Auditor)</i>	Informal Discussion – Confidential Matters
Dec-22	Corporate Governance Committee 2023 Meeting Schedule and Work Plan	Decision Report
Dec-22	Internal Audit Status update and Internal Audit Plan	Information Report
Dec-22	Strategic Risk Report	Information Report
Dec-22	Internal Controls Audit Report	Information Report
Dec-22	Chief Executive Officers Update	Information Report – Confidential Matters
Dec-22	CBD Development Update	Informal Discussion – Confidential Matters
Feb-23	Cash Handling Policy and Procedure	Decision Report
Feb-23	Internal Audit Status update	Information Report
Feb-23	Recruitment and Selection Follow Up Assurance Update	Information Report
Feb-23	Mid Year Review - End of Year Forecast	Information Report
Feb-23	Corporate Governance Committee Work Plan	Information Report
Feb-23	Chief Executive Officer Update	Information Report – Confidential Matters
Feb-23	Long Term Financial Plan 23/24	Informal Discussion – Confidential Matters

Meeting Date	Report Title	Report Type
Apr-23	External Audit Plan 2022/23	Decision Report
Apr-23	Cash Handling Policy and Procedure	Decision Report
Apr-23	Corporate Governance Committee Work Plan	Information Report
Apr-23	2022/23 Risk Evaluation Action Plans	Information Report
Apr-23	Internal Audit Status update	Information Report
Apr-23	2023/24 Draft Annual Business Plan and Long Term Financial Plan	Decision Report – Confidential Matters

Appendix 2 | 2022/23 Self-Assessment

Membership

Question	Strongly disagree	Somewhat disagree	Somewhat agree	Strongly agree
The size of the Committee is appropriate for the Council and the responsibilities outlined in the Charter.	0%	20%	0%	80%
Composition is regularly reviewed to ensure the appropriate balance of skills, knowledge and experience.	0%	0%	40%	60%
All members are financially literate and able to understand financial statements with at least one member with accounting or related financial expertise.	0%	0%	20%	80%

Meetings

Question	Strongly disagree	Somewhat disagree	Somewhat agree	Strongly agree
The Committee meets regularly throughout the year and the number of meetings is appropriate for the responsibilities of the Committee.	20%	0%	0%	80%
Agenda and meeting papers are provided in advance of the meetings as per legislation.	0%	20%	0%	80%
Minutes are taken and circulated to members in a timely manner and made available to the Council.	0%	0%	20%	80%
Sufficient opportunity is provided to discuss matters with relevant staff.	0%	0%	0%	100%
Sufficient opportunity is provided to engage with the external auditors, including a separate session to discuss matters privately at least annually.	0%	0%	20%	80%

Other Committee Activities

Question	Strongly disagree	Somewhat disagree	Somewhat agree	Strongly agree
The Committee reports regularly to the Council on their activities and makes recommendations where appropriate.	20%	0%	20%	60%
The Committee evaluates their performance and effectiveness as a whole at least once per year.	0%	20%	0%	80%
Appropriate training is offered or provided to Committee Members if requested and induction provided to new Committee Members.	0%	0%	60%	40%

Financial Reporting

The committee has undertaken the following activities:

Question	Strongly disagree	Somewhat disagree	Somewhat agree	Strongly agree
Reviewed the financial statements presented by management together with reports and opinions from the external auditor.	0%	0%	0%	100%
Reviewed the methods utilised to account for significant or unusual transactions where different approaches are possible.	0%	0%	40%	60%
Assessed the appropriateness of accounting policies and methods chosen by management.	0%	20%	20%	60%
Reviewed the results of the external audit, including significant adjustments, uncorrected misstatements and any difficulties encountered or unresolved disagreements with management.	20%	0%	0%	80%
Reviewed with management and the external auditor all matters required to be communicated to the Committee under Australian Auditing Standards, such as key audit matters, significant internal control deficiencies, indications of fraud or corruption or non-compliance with laws or regulations.	0%	20%	0%	80%
Reviewed financial statements, note disclosures, external auditor statement and other relevant information and made recommendations to Council if required.	0%	0%	20%	80%
Discussed with the external auditors, matters relating to the conduct of the audit, any difficulties countered, any restrictions on scope of activities or access to information, any significant disagreements with management and the adequacy of management response.	0%	0%	40%	60%
Provided input into the appointment of the external auditor.	20%	0%	0%	80%

Internal Control, Internal Audit and Risk Management Systems

The committee has undertaken the following activities:

Question	Strongly disagree	Somewhat disagree	Somewhat agree	Strongly agree
Monitored changes in the economic and business environment and considered possible impacts to Council's risk profile.	20%	0%	40%	40%
Reviewed the effectiveness of processes for identifying the Council's risks and the appropriateness of the risk management framework to maintain activities within the Council's risk appetite.	0%	20%	0%	80%
Considered the adequacy and effectiveness of the internal control and risk management framework from the review of reports from management, internal audit and external audit, and the review of management responses and actions to correct any noted deficiencies.	0%	0%	20%	80%
Reviewed the processes management has implemented for managing insurable risks.	0%	0%	20%	80%
Considered and made recommendations (where appropriate) on the program of the internal controls and audit.	0%	20%	0%	80%
Received updates regarding the Public Interest Disclosure process and reviewed anti-fraud and corruption policies and strategies.	20%	0%	40%	40%

Overall, what has been well done by the Committee this year?

Complying with Committee Terms of Reference and actively engaging with Administration. Having the ability to provide input and discussion with Full Council at workshops regarding drafting of ABP and annual rate setting and justifying decisions made.

Review of financial position of the Playford council

Committee has had robust discussion on numerous important issues and provided valuable input to the executive. Has provided pertinent recommendations to council and improved communication with the chamber. Has been well chaired.

What opportunities for improvement should the Committee consider?

Take advantage of training opportunities for Committee members when they arise and are offered to independent members by Administration.

Attendance of key personnel

Continue to increase engagement with council on significant issues, in particular LTFP

