



MOUNT BARKER
DISTRICT COUNCIL

AUDIT & RISK COMMITTEE

Annual Report 2025/26

PURPOSE

This report presents a summary of the Mount Barker District Council (Council) Audit and Risk Committee's activities undertaken and recommendations made during the 2025/26 financial year.

OVERVIEW

This Annual Report of the Audit and Risk Committee fulfills the reporting requirements outlined in the Terms of Reference. The structure of the Annual Report includes:

- Introduction
- Role of the Audit and Risk Committee
- Chairperson's Foreword
- Committee Membership
- Meetings and Attendance
- ARC Resolutions 2025/26
- Committee Assessment
- Attachments: Self-Assessment
Work Plan 2025/26

INTRODUCTION

Council's Audit and Risk Committee (ARC) has been established pursuant to Section 126 and 41 of the Local Government Act 1999. The Committee's Terms of Reference was endorsed by Council on 19 January 2026 to determine the annual purpose, key responsibilities and meeting procedures for ARC. The Terms of Reference are available on Council's website [here](#).

The reporting responsibilities, outlined at 2.0 of the Terms of Reference, require that an Annual Report including a committee self-assessment be presented to Council. Further to this, the Chair is required to present to Council an overview of the previous financial year and the proposed priorities and work plan for the year ahead.

ROLE OF THE AUDIT AND RISK COMMITTEE

The ARC plays an ongoing role providing oversight of Council's governance responsibilities, financial management practices, corporate risks, auditing activities and internal controls reporting. ARC assist Council to ensure informed and quality decision-making for the benefit of the community.

The functions and extent of the authority for an ARC are defined in the Local Government Act 1999 Section 126 (4).

CHAIRPERSON'S FOREWORD

As I enter my sixth year on the Mount Barker District Council's Audit and Risk Committee, 2025/26 stands out as a year of change for the Committee. The establishment of the Mount Barker Region Wastewater Utility Subsidiary, trading as GMB Water, has been the most significant governance milestone of the year, moving day-to-day oversight of the wastewater and recycled water service to its own Board while the Committee's focus shifts to the higher-level questions of ownership policy, financial sustainability and the adequacy of oversight arrangements between Council and its new subsidiary.

This transition prompted a revised Terms of Reference, endorsed by Council in December 2025, which formalises the Committee's role in overseeing Council's subsidiaries alongside its long-standing responsibilities for financial reporting, internal controls, risk management and internal and external audit. The Council is currently reviewing how this oversight responsibility is best discharged in practice, and a report on this will come back to the Committee early in 2026/27.

The Council's unprecedented growth has continued to shape much of the Committee's work. Our review of the 2026/27 Annual Business Plan and Budget, the Long-Term Financial Plan 2026-2036 and the updated Asset Management Plans again centred on the balance between funding the infrastructure a growing district needs and keeping rates affordable for the community. This all at a time when GMB Water's own peak debt projections have also increased in response to interest rate and construction cost movements. The Committee was satisfied that the assumptions underpinning these plans are reasonable, while continuing to ensure clear disclosure of the trade-offs involved.

2025/26 also marked the final year of Bentleys' five-year term as Council's external auditor. The Committee oversaw the development of a robust, competitive process for the appointment of Council's next external auditor, covering both Council and GMB Water, with Michelle Hammond representing the Committee on the tender assessment panel. In parallel, the internal audit program matured further, with the completion of reviews into Asset Management Maturity and Delegation Settings, both of which are now being tracked through to implementation.

Cyber security, climate risk and workforce safety remained standing items on the Committee's agenda throughout the year. The cyber security uplift program continued to progress, a new Climate Risk Assessment was received, and its recommendations are being embedded into strategic and operational planning, and the Committee kept a close watch on work health and safety trends, including manual handling injuries.

My thanks go to Mark Davies, Kym Della-Torre, Michelle Hammond and Mayor David Leach for their continued and valued contributions to the Committee this year. Kym and Michelle's terms conclude in September 2026, and I am grateful for the expertise and diligence they have brought to the table with recruitment for their successors underway.

As Council continues to grow and its governance arrangements continue to mature through the establishment of GMB Water, the Committee's focus in the year ahead will be on embedding its expanded oversight remit, supporting a smooth transition to a new external auditor, and maintaining a clear line of sight over the Council's long-term financial sustainability.

Michele Bennetts
Chairperson, MBDC ARC

COMMITTEE MEMBERSHIP

The Terms of Reference requires that the Committee has four independent members, one who will be appointed as the Chair by the Committee, and one Councillor. In line with this, membership of the Committee during 2025/26 has been as follows:

Name	Position	Term expires
Michele Bennetts	Independent Member (Chair)	March 2028
Mark Davies	Independent Member	June 2027
Kym Della-Torre	Independent Member	September 2026
Michelle Hammond	Independent Member	September 2026
Mayor David Leach	Council Member	November 2026 (TBC)

MEETINGS AND ATTENDANCE

Committee meetings are open to the public and held in the Council Chambers. When requested, attendance via electronic means is provided to members unable to attend in person. Committee meeting agendas and minutes are publicly available via the Council's website.

		Committee Member Attendance (Y – Yes A – Apology)					
Meeting dates		Michele Bennetts	Mark Davies	Kym Della-Torre	Michelle Hammond	Mayor David Leach	Proxy: Cr Sam Jones
2025	14 August	Y	Y	Y	A	A	Y
	16 October	Y	Y	Y	Y	Y	
	11 December	Y	Y	Y	Y	Y	
2026	16 April	Y	Y	Y	Y	Y	
	21 May	Y	Y	Y	Y	Y	
Meetings held		Summary of meetings attended					
5		5	5	5	4	4	1

ARC RESOLUTIONS 2025/26

1.1 Financial Reporting

1.1.1 REVIEW PERFORMANCE OF INVESTMENTS AND BORROWINGS

Council Investments and Borrowings 2024/25

ARCM20251016.02 16/10/2025

1.1.1 COMPARISON OF ACTUAL TO BUDGET FOR YEAR ENDING 30 JUNE 2024

Comparison of Actual to Budget for the Year ending 30 June 2025

ARCM20251016.03 16/10/2025

1.1.1 REVIEW STATUTORY FINANCIAL STATEMENTS

Statutory Financial Statements and External Audit for the Year Ending 30 June 2025

ARCM20251016.04 16/10/2025

1.1.1 DEVELOPER CONTRIBUTIONS AND SEPARATE RATES

Indirect Developer Contributors & MDPA Separate Rate Related Revenue

ARCM20251016.08 16/10/2025

1.1.2 REVIEW CONSISTENCY OF FINANCIAL POLICIES & PROCEDURES

Draft Sale of Land for Non-Payment of Rates - Section 184 Policy

ARCM20251211.03 11/12/2025

1.1.2 REVIEW CONSISTENCY OF FINANCIAL POLICIES AND PROCEDURES

Financial Policy Review Update

ARCM20250814.04 14/8/2025

1.1.2 CONSISTENCY OF ACCOUNTING POLICIES AND MATERIAL INFORMATION PRESENTED WITH THE FINANCIAL STATEMENTS

Confidential Item: Debt Write Off

ARCM20250814.16 ARCM20250814.17 ARCM20250814.18 14/8/2025

1.1.2 OUTSTANDING DEBTORS (INCLUDING RATES)

Outstanding Debtors

ARCM20251016.08 16/10/2025

1.1.1 REVIEW FINANCIAL STATEMENTS

1.1.2 REVIEW EFFECTIVENESS OF FRAMEWORK, PROCESSES AND SYSTEMS

1.3.1 RISK MANAGEMENT FRAMEWORK

1.3.2 STRATEGIC RISK

1.11.1 WASTEWATER SUBSIDIARY

Mount Barker Region Wastewater Utility Ownership Policy

ARCM20250814.02 14/8/2025

1.2 Internal Controls

1.2.1 INTERNAL CONTROLS FRAMEWORK, PROCESSES, SYSTEMS REVIEW

Annual Risk Cover and Insurance Review

ARCM20251211.05 11/12/2025

1.2.1 INTERNAL CONTROLS FRAMEWORK, PROCESSES, SYSTEMS REVIEW

Internal Financial Controls

ARCM20260416.05 16/4/2026

1.3 Risk Management

1.3.1 WORK HEALTH SAFETY UPDATE

Work Health and Safety Update

ARCM20251211.05 11/12/2025

1.3.1 WORK HEALTH SAFETY UPDATE

Work Health and Safety Update

ARCM20260521.08 21/5/2026

1.1.1 REVIEW FINANCIAL STATEMENTS

1.1.2 REVIEW EFFECTIVENESS OF FRAMEWORK, PROCESSES AND SYSTEMS

1.3.1 RISK MANAGEMENT FRAMEWORK

1.3.2 STRATEGIC RISK

1.11.1 WASTEWATER SUBSIDIARY

Mount Barker Region Wastewater Utility Ownership Policy

ARCM20250814.02 14/8/2025

1.3.2 STRATEGIC RISK REGISTER

1.7.1 REVIEW AND PROVIDE ADVICE ON STRATEGIC MANAGEMENT PLANS

1.11.1 WASTEWATER SUBSIDIARY

Mount Barker Region Wastewater Utility Subsidiary Establishment

ARCM20250814.03 14/8/2025

1.3.2 STRATEGIC RISK REGISTER

Confidential Item: Cyber Security Uplift Program Status Update

ARCM20250814.13 ARCM20250814.14 ARCM20250814.15 14/8/2025

1.3.2 STRATEGIC RISK REGISTER

Council High and Very High Strategic Risks (Excluding the Wastewater Service)

ARCM20251211.04 11/12/2025

1.3.2 REVIEW COUNCIL'S OVERALL RISK APPETITE (RELATIVE TO REWARD) AND MONITOR RISK EXPOSURE AND MANAGEMENT

Climate Change Risk Update

ARCM20251211.05 11/12/2025

1.3.2 STRATEGIC RISK REGISTER

Confidential Item: Local Government Risk Services Cyber Security Update

ARCM20251211.06 ARCM20251211.07 ARCM20251211.08 **11/12/2025**

1.3.2 REVIEW COUNCIL'S OVERALL RISK APPETITE (RELATIVE TO REWARD) AND MONITOR RISK EXPOSURE AND MANAGEMENT

Climate Risk Assessment

ARCM20260416.02 **16/4/2026**

1.3.2 STRATEGIC RISK REGISTER

Council High and Very High Strategic Risks (Excluding the Wastewater Service)

ARCM20260416.06 **16/4/2026**

1.3.2 STRATEGIC RISK REGISTER

Confidential Item: Local Government Risk Services Cyber Security Update

ARCM20260521.09 ARCM20260521.10 ARCM20260521.11 **21/5/2026**

1.5 Internal Audit

1.5.1 REVIEW THE INTERNAL AUDIT PROGRAM

Internal Audit Activities Update

ARCM20260416.08 **16/4/2026**

1.5.1 REVIEW THE INTERNAL AUDIT PROGRAM

Internal Audit Activities Update

ARCM20260416.09 **16/4/2026**

1.5.4 RECEIVE REPORTS ON INTERNAL AUDIT PROCESSES AND PROGRESS AGAINST INTERNAL AUDIT RECOMMENDATIONS

Internal Audit Function - Update on Internal Audit Activities and the Grants Identification, Application and Acquittal - Internal Audit Scope

ARCM20251211.05 **11/12/2025**

1.5.5 RECEIVE ALL REPORTS IN CONNECTION WITH WORK UNDERTAKEN FOR THE INTERNAL AUDIT WORK PLAN

Internal Audit Processes - Delegation Settings

ARCM20250814.05 **14/8/2025**

1.5.5 RECEIVE ALL REPORTS IN CONNECTION WITH WORK UNDERTAKEN FOR THE INTERNAL AUDIT WORK PLAN

Internal Audit - Asset Management Maturity Assessment

ARCM20250814.06 **14/8/2025**

1.5.7 RECEIVE AN ANNUAL REPORT FROM THE CEO IN RELATION TO INTERNAL AUDIT PROCESSES

Internal Audit Processes - Annual Report of the Chief Executive Officer

ARCM20251016.06 **16/10/2025**

1.6 External Audit

1.6.1 APPOINTMENT OF COUNCIL'S EXTERNAL AUDITOR

Proposed Process For the Appointment of External Auditors

ARCM20260416.03 16/4/2026

1.6.1 APPOINTMENT OF COUNCIL'S EXTERNAL AUDITOR

Proposed Process For the Appointment of External Auditors

ARCM20260416.04 16/4/2026

1.6.8 REVIEWING EXTERNAL AUDIT MANAGEMENT REPORT AND MANAGEMENT'S RESPONSE

External Audit Management Report - Status Report

ARCM20250814.19 14/8/2025

1.6.8 REVIEWING EXTERNAL AUDIT MANAGEMENT REPORT AND MANAGEMENT'S RESPONSE

External Audit Management Report - Status Report

ARCM20260416.10 16/4/2026

1.6.8 REVIEWING EXTERNAL AUDIT MANAGEMENT REPORT AND MANAGEMENT'S RESPONSE

External Audit Management Report - Status Report

ARCM20260521.08 21/5/2026

1.7 Review of Strategic Management and Business Plans

1.7.1 AND 1.7.2 REVIEW AND PROVIDE ADVICE ON STRATEGIC MANAGEMENT PLANS

Integrated Financial, Asset and Business Planning

ARCM20251016.05 16/10/2025

1.7.1 REVIEW AND PROVIDE ADVICE ON STRATEGIC MANAGEMENT PLANS

Council 2026/27 Draft Annual Business Plan, Budget and Rating Policy

ARCM20260521.02 21/5/2026

1.7.1 REVIEW AND PROVIDE ADVICE ON STRATEGIC MANAGEMENT PLANS

Council 2026/27 Draft Annual Business Plan, Budget and Rating Policy

ARCM20260521.03 21/5/2026

1.7.1 REVIEW AND PROVIDE ADVICE ON STRATEGIC MANAGEMENT PLANS

Council 2026/27 Draft Annual Business Plan, Budget and Rating Policy

ARCM20260521.04 21/5/2026

1.7.1 REVIEW AND PROVIDE ADVICE ON STRATEGIC MANAGEMENT PLANS

Draft Council Long Term Financial Plan 2026-2036

ARCM20260521.05 21/5/2026

1.7.1 REVIEW AND PROVIDE ADVICE ON STRATEGIC MANAGEMENT PLANS

Asset Management Plans Updates

ARCM20260521.06 21/5/2026

1.3.2 STRATEGIC RISK REGISTER

1.7.1 REVIEW AND PROVIDE ADVICE ON STRATEGIC MANAGEMENT PLANS

1.11.1 WASTEWATER SUBSIDIARY

Mount Barker Region Wastewater Utility Subsidiary Establishment

ARCM20250814.03 14/8/2025

1.8 Value and Efficiency

1.8.1 REVIEW SERVICES FOR EFFICIENT AND EFFECTIVE DELIVERY

Project Management Improvement Program (PMIP) Program Overview & Status Update

ARCM20251211.05 11/12/2025

1.8.1 REVIEW SERVICES FOR EFFICIENT AND EFFECTIVE DELIVERY

Essential Services Commission of South Australia Local Government Advice Scheme - Advice to Mount Barker District Council Annual Update

ARCM20260416.07 16/4/2026

1.9 Major Strategic Infrastructure Projects

1.9.1 SUMMIT AQUATIC AND LEISURE CENTRE

Summit Aquatic and Leisure Centre Quarterly Update

ARCM20250814.19 14/8/2025

1.9.1 SUMMIT ACQUATIC AND LEISURE CENTRE

Confidential Item: Summit Leisure & Entertainment Precinct - Project Update

ARCM20251211.09 ARCM20251211.10 ARCM20251211.11 11/12/2025

1.9.2 CITY CENTRE CATALYST PROJECT

Confidential Item: City Centre Precinct Project - Quarterly Update

ARCM20251016.09 ARCM20251016.10 ARCM20251016.11 16/10/2025

1.9.2 CITY CENTRE CATALYST PROJECT

City Centre Precinct Project

ARCM20260416.10 16/4/2026

1.10 Prudential Reports

1.10.1 PRUDENTIAL REPORTS

Confidential Item: City Centre Project Town Square (Stage 1A) Prudential Report

ARCM20250814.08 ARCM20250814.09 ARCM20250814.10 14/8/2025

1.11 Wastewater and Recycled Water Strategy

1.1.1 REVIEW FINANCIAL STATEMENTS

1.1.2 REVIEW EFFECTIVENESS OF FRAMEWORK, PROCESSES AND SYSTEMS

1.3.1 RISK MANAGEMENT FRAMEWORK

1.3.2 STRATEGIC RISK

1.11.1 WASTEWATER SUBSIDIARY

Mount Barker Region Wastewater Utility Ownership Policy

ARCM20250814.02 14/8/2025

1.3.2 STRATEGIC RISK REGISTER

1.7.1 REVIEW AND PROVIDE ADVICE ON STRATEGIC MANAGEMENT PLANS

1.11.1 WASTEWATER SUBSIDIARY

Mount Barker Region Wastewater Utility Subsidiary Establishment

ARCM20250814.03 14/8/2025

2.0 Reporting Responsibilities

2.1 REVIEW ANNUAL WORK PLAN

Audit and Risk Committee Work Plan and Meeting Schedule 2025/26

ARCM20250814.12 14/8/2025

2.1 AND 2.3 AUDIT COMMITTEE SELF ASSESSMENT AND ANNUAL REPORT

Audit and Risk Committee Draft Annual Report 2025/25

ARCM20250814.07 14/8/2025

2.1 REVIEW PERFORMANCE OF ANNUAL WORK PLAN

Progress Update: 2024/25 ARC Work Plan

ARCM20251016.08 16/10/2025

2.1 REVIEW PERFORMANCE OF ANNUAL WORK PLAN

Progress Update: 2024/25 ARC Work Plan

ARCM20251211.05 11/12/2025

2.1 REVIEW PERFORMANCE OF ANNUAL WORK PLAN

Progress Update: 2024/25 ARC Work Plan

ARCM20260416.10 16/4/2026

2.1 REVIEW ANNUAL WORK PLAN

Audit and Risk Committee Work Plan and Meeting Schedule 2026/27

ARCM20260521.07 21/5/2026

2.1 REVIEW PERFORMANCE OF ANNUAL WORK PLAN

Progress Update: 2024/25 ARC Work Plan

ARCM20260521.08 21/5/2026

2.2 REVIEW TERMS OF REFERENCE

Annual Review of Audit and Risk Committee Terms of Reference

ARCM20250814.11 14/8/2025

2.2 REVIEW TERMS OF REFERENCE

Annual Review of Audit and Risk Committee Terms of Reference

ARCM20251016.07 16/10/2025

2.2 REVIEW TERMS OF REFERENCE

Annual Review of Audit and Risk Committee Terms of Reference

ARCM20251211.02 11/12/2025

COMMITTEE ASSESSMENT

The Committee undertook a self-assessment completing a questionnaire covering a range of areas. Members contributed their feedback on the ARC's:

- internal relationships, knowledge and composition
- operating environment
- external relationships and impact within Council
- understanding and awareness of Council strategy and risk areas
- remit and broader contributions; and
- their individual knowledge.

The 2025/26 self-assessment demonstrates a high level of confidence in the Committee's effectiveness, leadership and governance arrangements. Members expressed strong confidence in the Chair's leadership, the Committee's collaborative and objective approach, and its ability to provide valuable advice and recommendations to Council. Members also indicated a strong understanding of their roles and responsibilities, strategic risks, Council operations and the broader local government environment, reflecting a mature and effective governance framework. While overall feedback was very positive, members identified opportunities to further strengthen the Committee through broader diversity of expertise and representation.

During 2025/26, ARC members were offered and invited to join Council Members to attend the following Information or Briefing Sessions:

- City Centre Precinct – July 2025
- LGA Climate Risk Workshop – Regional Host Session – September 2025
- Open Space Strategy and Action Plans – January 2026
- City Centre Project Design (Closed) – February 2026

The self-assessment confirmed that members consider the current level of briefings and presentations to be appropriate, with all respondents agreeing that adequate briefing opportunities are provided and most agreeing that adequate training is available. Feedback also identified an opportunity to further promote and communicate available training and professional development opportunities to Committee members.

Looking ahead, members identified opportunities for the Committee to continue adding value by maintaining a strong focus on Council's strategic risks, supporting the organisation in managing significant growth and ensuring organisational culture, staff wellbeing, operational efficiency and effectiveness continue to be maintained. Members also acknowledged that the establishment of the GMB Wastewater Board provides an opportunity for separate oversight of wastewater matters, enabling the Audit and Risk Committee to maintain its primary focus on Council's governance, risk management and assurance responsibilities.