



**Eastern Waste Management Authority
Ordinary Audit & Risk Management Committee**

Minutes

Wednesday 16 September 2026

Minutes

Eastern Waste Management Authority Ordinary Meeting of the Audit & Risk Management Committee

Meeting to be held on Wednesday 16 September 2026 commencing at 4.00 pm,
HenderCare, Level 4/81 Flinders Street, Adelaide.

Welcome

The Chair, Mrs E Hinchey, declared that a quorum was present and opened the meeting at 4 pm.

1. Acknowledgement of country

With the opening of the meeting the Chair stated:

We would like to acknowledge that the land that some of us meet on today is the traditional lands for the Kaurna people and that we respect their spiritual relationship with their country.

We also acknowledge the Kaurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are as important to the living Kaurna people today.

2. Present

Committee Members:

Mrs E Hinchey	Independent Chairperson
Mr F Bell	East Waste Board Representative
Ms N Caon	Independent Member
Ms L Green	Independent Member
Mr A Wiguna	East Waste Board Representative

In Attendance:

Mr L Leyland	General Manager
Ms K Vandermoer	Acting Manager Business Services
Mr A Velloor	Finance Business Partner
Ms V Davidson	Principal Consultant, Clearly Strategic
Mr T Muhlhausler	Director, Galpins.

3. Apologies

Nil.

4. Disclosures of interest

Ms L Green declared a material conflict of interest in Item 9.4 Review of Fleet Asset Management Plan & Strategy 2027-2036 as her son in law works for a company that performs maintenance on East Waste's trucks.

5. Confirmation of the minutes

- 5.1** Moved L Green that the Minutes of the Eastern Waste Management Authority Ordinary Audit & Risk Management Committee Meeting held on held on 10 June 2026 be confirmed as a true and correct record.

Seconded: Ms N Caon

Carried

- 5.2** Moved Mr F Bell that the Minutes of the Eastern Waste Management Authority Special Audit & Risk Management Committee Meeting held on held on 13 August 2026 be confirmed as a true and correct record.

Seconded: Ms N Caon

Carried

6. Matters arising from the Minutes

Nil.

7. Questions Without Notice

Nil.

8. Presentations

Nil.

9. Reports

9.1 General Manager's Update

The General Manager provided the Audit & Risk Management Committee with an overview of organisational performance, strategic priorities, key risks, and emerging opportunities. The report is intended to support informed decision-making, ensure appropriate governance oversight, and align management activities with East Waste's strategic direction.

Discussion

The General Manager provided a verbal update as to the status of East Waste's contract and tenders, noting that the responses Waste Education Service Tender will be evaluated on 17 September 2026.

The Committee enquired as to the impact of the cost of fuel on the budget and recommended that Administration keep the Board informed regularly as to how the cost of fuel is tracking against the budget and the implications of variances in fuel pricing on the budget.

The General Manager was requested to provide an overview of the Artificial Intelligence (AI) contamination - detection pilot with the City of Mitcham. The Committee enquired if there is an AI policy in place and recommended that Administration implement an Acceptable Use of Artificial Intelligence Policy in order to provide guidance to employees.

The Committee enquired if East Waste had an escalation process for 'high risk incidents'. The General Manager advised that such incidents are not currently reported to the Board

unless they are Notifiable Incidents. The Committee suggested that Administration should consider a definition of high-risk incidents and develop an appropriate notification / escalation plan including consideration of reporting high-risk incidents to the Board.

The Committee were provided an update on the FOGO trials; including the fact that two vehicles that are scheduled for disposal will be retained to assist with FOGO delivery.

The Committee noted that labour capacity is at its practical maximum and requested an explanation as to how this will be managed. The Committee requested that salary and overtime expenditure tracking against budget be provided to the Committee as part of Budget Review One.

Resolution

Moved Mr F Bell that the Audit & Risk Management Committee:

1. notes the General Manager's Report as presented on 16 September 2026.
2. recommends that Administration provide a report to each meeting of the East Waste Board advising how the cost of fuel is tracking against the budget.
3. recommends that Administration develop an Acceptable Use of Artificial Intelligence Policy to guide East Waste employees.

Seconded: Ms L Green

Carried

9.2 Audited Financial Statements for the Year Ended 30 June 2026

The Audit & Risk Management Committee were provided the opportunity to review and comment on the prepared Financial Statements for year ending 30 June 2026 prior to presentation to the East Waste Board.

Discussion

Mr Tim Muhlhausler, provided an overview of the external audit process, noting that it was smooth process and the auditors evidenced ongoing improvements in controls and financial oversight.

The Committee requested that in accordance with Regulation 20 of the Local Government (Financial Management) Regulations 2026 that Management leave the room in order for the Committee to have a confidential discussion with the external auditor.

Mr L Leyland, Mr A Velloor, Ms K Vandermoer and Ms V Davidson left the meeting at 4.35 pm.

Mr L Leyland, Mr A Velloor, Ms K Vandermoer and Ms V Davidson returned to the meeting at 4.55 pm.

The Committee reported that Mr Muhlhausler reiterated the audit was a very smooth process and that management were very cooperative and it was a great introduction of Aneesh into the team. No issues of concern were identified.

The Chair of the Committee asked Mr Muhlhausler if he could confirm his independence in conducting the audit.

Mr Muhlhausler responded in the affirmative.

The Committee on examining the financial statements identified that East Waste does not have a strong position as stated on the paper but rather, the statements demonstrate declining liquidity. East Waste's cash position is weakening, in part because of the rising and uncertain cost of fuel.

Management advised the Committee that the Board, at this time have not approved the use of a cash advance debenture facility. The borrowings in the financial statements represent separate borrowings for the purchase of new trucks.

The Committee interrogated the increase of 12.5% in maintenance costs and the 13.3% increase in senior management salary costs. The General Manager reported that maintenance costs are likely to be similar in 2026/27 due issue with the trucks. The additional cost has been accounted for in the current budget. The additional costs in the senior management team were a result of vacancy in the prior year during the changeover of General Manager and associated backfill appointments.

The Committee identified that Note 9, the liquidity analysis, is missing the contractual lease information and that the Financial Statements do not reflect any capital commitments as of 30 June 2026. Administration and Galpins were requested to review these two matters.

Resolution

Moved Ms N Caon that the Audit & Risk Management Committee:

1. receive and note the draft FY2026 audited Financial Statements as presented in Attachment A (*Agenda Item 9.2, Audit & Risk Management Committee Meeting, 16 September 2026*) and the Management Representation Letter as presented in Attachment C (*Agenda Item 9.2, Audit & Risk Management Committee Meeting, 16 September 2026*) and recommend both documents for presentation to the East Waste Board.
2. receive the draft Independent Audit Completion Report as presented in Attachment B (*Agenda Item 9.2, Audit & Risk Management Committee Meeting, 16 September 2026*).

Seconded: Mr F Bell

Carried

Mr T Muhlhausler left the meeting at 5.09 pm.

9.3 Regulation 10 Financial Report

The Audit and Risk Management Committee were provided with a Report on the previous financial year performance (FY26) against budget as required by Regulation 10 of the Local Government (Financial Management) Regulations 2011.

Discussion

The Committee requested that the report contain a short narrative explaining the movement from the adopted operating surplus of \$152K to the deficit of \$383K. Additionally, the Committee identified that the reports show \$2.363M of Other Income as a Net Gain on Equity accounted/ joint venture – this appears to be an error and needs to be remedied.

The increase from BR3 in expenditure in assets to \$179K is to be investigated with the reason to be communicated to the Committee by email.

The Committee also identified that the lease liabilities were not budgeted for or reported on during any of the budget reviews. The amount had been recorded under borrowings.

Resolution

Moved Mr F Bell that the Audit & Risk Management Committee recommends to the East Waste Board that the Regulation 10 Financial Report, as presented in Attachment A (Item 9.3, Audit & Risk Management Committee Meeting 16 September 2026) be adopted.

Seconded: Ms N Caon

Carried

9.4 Review of Fleet Asset Management Plan & Strategy 2027-2036

Ms L Green declared a material conflict of interest in this item as her son in law works for a company that maintains East Waste's trucks. Ms Green left the meeting at 5.16 pm and did not participate in the debate and nor did she vote in the matter.

The Audit & Risk Management Committee were provided with the opportunity to review and provide feedback on the revised Fleet Asset Management Plan & Strategy 2027-2036 prior to presentation to the East Waste Board.

Discussion

The Committee have requested that a summary page be included at the front of the draft Fleet Asset Management Plan & Strategy 2027-2036 (FAMP).

The Committee discussed the necessary alignment of the Long-Term Financial Plan and the FAMP with both documents forming part of the Business Plan.

The Committee requested the inclusion of some forward planning regarding the number and types of trucks that will be required in the future given the amount of infill housing, and difficulties associated with property access. Recognising that we live in a dynamic environment, the FAMP and the Long-Term Financial Plan will both need to be amended to accommodate the future environment.

The Committee suggested that Administration include a comment to the foreword of the FAMP detailing that they are currently testing the eight (8) year lifespan of trucks.

The calculation for the price of future fuel prices was interrogated by the Committee. The Committee requested that Administration conduct a sensitivity analysis on the price of fuel recognising the price of fuel is likely to remain high. Scenarios should be presented to the East Waste Board for their evaluation.

Administration provided an overview of how the residual price of the trucks was calculated.

The Committee enquired about utilisation of fleet and the possibility of recording against expected usage in the FAMP. Administration agreed to review the presentation of this information.

The Committee requested that the Risk Table be updated to clearly reflect whether the risks documented are inherent or residual, what treatments are applied and how the risks

will be monitored. The Committee recommended that the Board review the Risk Table and are asked to resolve as to whether they are willing to accept the risks as documented.

Resolution

Moved Ms N Caon that the Audit & Risk Management Committee recommend to the East Waste Board that the revised East Waste Fleet Asset Management Plan & Strategy 2027-2036, as presented in Attachment A (*Item 9.4, Audit & Risk Management Committee Meeting, 16 September 2026*), be adopted subject to amendments as recommended by the Committee.

Seconded: Mr F Bell

Carried

Ms L Green returned to the meeting at 5.45 pm.

9.5 Draft East Waste Annual Report 2025/26

The draft East Waste Annual Report 2025/26 was presented to the Audit & Risk Management Committee for review and consideration, and to seek the Committee's feedback and endorsement for the draft report to proceed to the Board, subject to any amendments arising from the Committee's recommendations.

The Annual Report is a statutory requirement under the Local Government Act 1999 and provides a transparent account of East Waste's governance, performance and financial outcomes for the year ended 30 June 2026.

Discussion

The Committee discussed the focus areas of the Annual Report for which they have responsibility. The Committee suggested the following amendments to the Annual Report:

- *include mention of anticipated changes to the costing methodology in the Looking Ahead section of the Annual Report.*
- *wording relating the strong balance sheet be reworded to say, 'East Waste has an improved cash position'.*
- *the risks contained within the Challenges and Opportunities section are be included in FAMP.*

Resolution

Moved Ms N Caon that the Audit & Risk Management Committee:

1. notes the draft East Waste Annual Report 2025/26 (*Attachment A Item 9.5, Audit & Risk Management Committee Meeting, 16 September 2026*).
2. approves the draft Annual Report from the Audit & Risk Management Committee.
3. reviews the sections of the draft Annual Report relevant to the Committee's responsibilities, including governance, risk, controls, assurance, audit, confidentiality, public interest disclosures and complaints.
4. provides any comments or recommended amendments to Administration.
5. recommends the draft East Waste Annual Report 2025/26 to the Board for adoption, subject to incorporation of any amendments endorsed by the Committee.

Seconded: Mr F Bell

Carried

9.6 Review of Internal Audit Workplan

The Audit & Risk Management Committee was presented with a proposed revision to Year Two of East Waste's current Internal Audit Work Plan. The revised plan has been developed by UHY Haines Norton in consultation with East Waste administration following a review of available resourcing and organisational capacity to undertake internal audits during the 2026/27 financial year.

Discussion

The Committee noted that the East Waste Board is yet to develop a Risk Appetite Statement.

The Committee requested that Administration ask UHY Haines Norton to update the assurance map to include works undertaken to date

The Committee suggested delaying the internal audit for cybersecurity until Management had had an opportunity to implement requirements identified during their upcoming training.

Resolution

Moved Ms L Green that the Audit & Risk Management Committee notes the revised Internal Audit Work Plan as presented in Attachment A Item 9.6, Audit & Risk Management Committee Meeting, 16 September 2026.

Seconded: Mr F Bell

Carried

9.7 Internal Audit Recommendation Progress Tracking

The Audit & Risk Management Committee were provided with an update on the progress of implementation of recommendations made by internal auditors, UHY Haines Norton, through East Waste's Internal Audit Program.

Discussion

The Committee sought clarification on who is responsible for closing actions on the progress tracking chart. Administration close off actions and UHY Haines Norton update the tracking sheet. The Committee requested that items be removed from the tracking sheet once the Committee has viewed that they have been recorded as completed, noting that the comments need to detail how the action was completed.

Administration were requested to review the expected completion dates of actions that are due shortly but work has yet to commence on the action..

Resolution

Moved Ms N Caon that the Audit & Risk Management Committee notes the Internal Audit Progress Tracking Schedule, prepared by UHY Haines Norton, as presented at Attachment A - 'UHY Haines Norton Internal Audit Progress Tracking Schedule (Item 9.7, Audit & Risk Management Committee Meeting, 16 September 2026).

Seconded: Mr F Bell

Carried

9.8 Revised Draft Audit & Risk Management Committee Terms of Reference

The revised Audit & Risk Management Committee Terms of Reference were represented for the Committee's review and consideration following the amendments requested at the special meeting of 13 August 2026. The revised draft now incorporates a Skills and Experience Matrix to support the composition of the Committee and a Committee-specific Code of Conduct to clarify the standards of behaviour, independence and governance expected of Independent Committee Members.

Discussion

The Committee expressed appreciation for the revised draft Code of Conduct of Independent Members of East Waste Board (Code). The differences between the process of submitting Returns for Independent Members and Board Directors were discussed. The process for receiving Independent Member Returns is to be amended to state that the Returns will be compiled into a Register by the General Manager.

The tenure of Committee Members was considered with the Committee recommending that Members be eligible to serve three three-year terms, rather than the current two-year terms. This meets best governance practice of a 10-year maximum term.

The Committee recommended that sections 2 and 3 of the revised draft code be revised to start in the same manner as section 1 with the wording 'Members must' and the wording be revised as appropriate.

The Committee discussed the implementation of the Skills & Experience Matric included at Appendix 1 to the revised Committee Terms of Reference.

Resolution

Moved Mrs N Caon that the Audit & Risk Management Committee:

1. notes the revised draft Audit and Risk Management Committee Terms of Reference inclusive of a Committee Skills and Experience Matrix and the Eastern Waste Management Authority Code of Conduct for Independent Committee Members.
2. endorses the proposed draft amendments to the Audit & Risk Management Committee Terms of Reference as shown in Attachment A, Item 9.8, Audit & Risk Management Committee Meeting, 16 September 2026 and recommends the revised draft Terms of Reference to the East Waste Board for adoption.
3. endorses the proposed East Waste Audit & Risk Management Committee Skills and Experience Matrix (*Attachment C, Item 9.8, Audit & Risk Management Committee Meeting, 16 September 2026*) and recommends the proposed Committee Skills and Experience Matrix to the East Waste Board for adoption.
4. endorses the Eastern Waste Management Authority Code of Conduct for Independent Committee Members (*Attachment D, Item 9.8, Audit & Risk Management Committee Meeting, 16 September 2026*) and recommends the Eastern Waste Management Authority Code of Conduct for Independent Committee Members to the East Waste Board for endorsement on completion of the review of the East Waste Charter.

Seconded: Mr F Bell

Carried

9.9 Information Report

The Information Report presents updates on standing items and other items that are relevant to the Audit & Risk Management Committee's Terms of Reference.

Motion

Moved: Ms L Green that the Audit & Risk Management Committee receives and notes the Information Report as presented on 16 September 2026.

Seconded: Ms N Caon

Carried

10. Confidential Reports

10.1 Confidential – Interpretation of Charter – Working Capital

The Audit & Risk Management Committee were provided with legal advice regarding the interpretation of the East Waste Charter as it relates to Constituent Council contributions to working capital and the retention, use or return of surplus funds.

Recommendation 1

Moved Ms L Green

1. That pursuant to section 90(2) of the *Local Government Act, 1999* the Audit & Risk Management Committee orders that the public, with the exception of the East Waste General Manager, Leonard Leyland, East Waste Acting Manager Business Services, Services, Kelly Vandermoer, Finance Business Partner, Aneesh Veloor and Principal Consultant Clearly Strategic, Vanessa Davidson, be excluded from the meeting on the basis that the East Waste Board will receive, discuss and consider matters under sections 90(2)(a) and 90(3)(h).
2. The Audit & Risk Management Committee is satisfied that pursuant to sections 90(2)(a) and 90(3)(h) of the Act the information to be received, discussed or considered in relation to the agenda item contains legal advice.
3. Accordingly, the Audit & Risk Management Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt / consideration of the information confidential.

Seconded: Mr F Bell

Carried

At 6.44pm the Chair sought and was granted leave of the meeting to suspend meeting procedures for 10 minutes in order to have a full and frank discussion on the content of the legal advice.

Meeting procedures resumed at 6.54 pm.

Recommendation 2

Moved Ms L Green that the Audit & Risk Management Committee receives the draft legal advice contained within Attachment A, Item 10.1 Interpretation of Charter - Working Capital, Audit & Risk Management Committee Meeting, 16 September 2026 and requests further clarification on the matter.

Seconded: Mr F Bell

Carried

Recommendation 3

Moved Mr F Bell that pursuant to section 91(7) of the *Local Government Act 1999* the Audit & Risk Management Committee orders that the Report and Attachment A to (Item 10.1 Interpretation of Charter - Working Capital, Audit & Risk Management Committee Meeting, 16 September 2026) be kept confidential until further order of the East Waste Board.

Pursuant to Section 91(9)(c) of the *Local Government Act 1999*, the power to revoke the order under Section 91(7) prior to any review or prior to a review is delegated to the General Manager, or any person acting in that position.

Seconded: Ms N Caon

Carried

11. Closure

The Chairperson declared the meeting closed at 6.56 pm.

- 12.** The next Ordinary Audit & Risk Management Committee Meeting is proposed to be held at **3 pm on 11 November 2026** at HenderCare, Level 3/81 Flinders Street, Adelaide.

These minutes have been signed as a true and correct record of the East Waste Audit & Risk Management Committee Meeting of 16 September 2026.

Chairperson

Date / /