



AUDIT COMMITTEE

MINUTES

for the meeting

Friday 22 February 2019

in the Colonel Light Room,
Adelaide Town Hall



Present -

Presiding Member	Mr David Powell
Deputy Presiding Member	Mr Ross Haslam
Members	The Right Honourable the Lord Mayor [Sandy Verschoor] Councillor Martin Mr Sean Tu

Apologies -

Proxy Members	<i>Councillor Hyde [proxy for the Lord Mayor] Councillor Knoll [proxy for Councillor Martin].</i>
----------------------	---

In Attendance

Mr Mark Goldstone, Chief Executive Officer, City of Adelaide
 Mr Steve Mathewson, Director Services, City of Adelaide
 Ms Tracie Dawber, Associate Director Finance, City of Adelaide
 Mr Sean Mullins, Corporate Accountant, City of Adelaide
 Mr Rudi Deco, Manager Governance, City of Adelaide
 Ms Jessica Dillon, Senior Consultant Risk & Audit, City of Adelaide
 Mr Alan Beaton, Manager MySafety, City of Adelaide
 Mr Annette Pianezzola, Risk & Audit Analyst, City of Adelaide
 Ms Linh Dao, Senior Manager, BDO
 Mr Justin Jamieson, Partner, KPMG
 Ms Heather Marten, Manager, KPMG

Confirmation of Minutes**1. Item 1 - Confirmation of Minutes - 5/10/2018 & 26/10/2018 [AC]**

Moved by Mr Haslam,
 Seconded by Mr Tu –

That the Minutes of the meeting of the Audit Committee held on 5 October 2018 and the Minutes of the Special meeting of the Audit Committee held on 26 October 2018, be taken as read and be confirmed as an accurate record of proceedings.

Carried

Acknowledgement of Country

The Presiding Member stated:

‘Council acknowledges that we are meeting on traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today. And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.’

Presiding Member Reports

Nil

Reports

2. Item 4.1 - 2018/19 End of Year Financial Reporting Process & Proposed Timetable [2019/00266] [AC]

The Presiding Member invited Ms Linh Dao, Senior Manager, BDO to address the meeting

Ms Linh Dao provided an overview of the report and responded to questions.

Discussion ensued during which Councillor Martin entered the Colonel Light Room at 8.37 am.

It was then –

Moved by Mr Haslam,

Seconded by Mr Tu –

THAT THE AUDIT COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL:

1. Endorses the proposed 2018/19 End of Year Financial Reporting process and external audit timetable as contained in Attachment C to Item 4.1 on the Agenda for the meeting of the Audit Committee held on 22 February 2019.
2. Notes that the external audit plan as contained in Attachment C to Item 4.1 on the Agenda for the meeting of the Audit Committee held on 22 February 2019 is consistent with the scope of the External Audit engagement and relevant legislation and standards.
3. Notes the external auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2019 as detailed in Attachment C to Item 4.1 on the Agenda for the meeting of the Audit Committee held on 22 February 2019.
4. Approves the External Audit terms of engagement as contained in Attachments A and B to Item 4.1 on the Agenda for the meeting of the Audit Committee held on 22 February 2019.

Carried

3. Item 4.2 – Accounting Standards Update [2019/00266] [AC]

Ms Tracie Dawber, Associate Director Finance, City of Adelaide addressed the meeting to provide an overview of the report and responded to questions.

Discussion ensued.

It was then –

Moved by Mr Haslam,

Seconded by Mr Tu –

THAT THE AUDIT COMMITTEE

1. Receives and notes the proposed methodology outlined in Item 4.2 on the Agenda for the meeting of the Audit Committee held on 22 February 2019.

Carried

4. Item 4.3 - 2019 Audit Committee Meeting Schedule and Work Plan [2014/05026] [AC]

Discussion ensued.

CEO Undertaking – Audit Committee Member / Council Member Session [AC]

The Chief Executive Officer gave an undertaking to arrange for a session for the Audit Committee members to meet the Council members and provide an overview of the role of the Audit Committee.

It was then –

Moved by the Lord Mayor,

Seconded by Councillor Martin –

THAT AUDIT COMMITTEE:

1. Adopts the following quarterly meeting schedule for the City of Adelaide Audit Committee to be held in the Colonel Light Room, Town Hall, Adelaide at 8.30am on:
 - 1.1. Friday 3 May 2019
 - 1.2. Friday 26 July 2019
 - 1.3. Friday 4 October 2019
 - 1.4. Friday 18 October 2019 (special) and
 - 1.5. Friday 21 February 2020
2. Approves the forward work plan for the 2019 calendar year, contained in Attachment A to Item 4.3 on the Agenda for the meeting of the Audit Committee held on 22 February 2019, to assist the preparation of reports as appropriate.

Carried

5. Item 4.4 - Results of the LGA Risk Evaluation 2018 [2014/05026] [AC]

Ms Jess Dillon, Senior Consultant Risk & Audit, City of Adelaide addressed the meeting to provide an overview of the report and Ms Jess Dillon and Mr Alan Beaton, Manager MySafety, City of Adelaide, responded to questions.

Discussion ensued.

It was then –

Moved by Mr Haslam,
Seconded by Mr Tu –

THAT AUDIT COMMITTEE:

1. Receives and notes the report.

Carried

6. Item 4.5 - Internal Audit Progress Update [2018/02550] [AC]

Ms Heather Marten, Manager, KPMG addressed the meeting to provide an overview of the Internal Audit Report.

Much discussion ensued during which the Lord Mayor left the Colonel Light Room at 9.18 am and re-entered at 9.18 am.

It was then –

Moved by Mr Haslam,
Seconded by Councillor Martin–

THAT THE AUDIT COMMITTEE:

1. Receives and notes the report.

Carried

Whistleblowing

Nil

Emerging Key Risks

Nil

Other Business

Nil

Exclusion of the Public

7. Item 8.1 - Exclusion of the Public to Consider [2018/04291] [AC]:

For the following items seeking consideration in confidence:

- 9.1 Update on Activities of the Strategic Risk and Internal Audit Group Meetings [s 90(3) (i)]

Discussion ensued.

ORDER TO EXCLUDE FOR ITEM 9.1:

Moved by Mr Haslam,
Seconded by Mr Tu –

THAT THE COMMITTEE:

1. Having taken into account the relevant consideration contained in s 90(3) (i) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 22/2/2019 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 9.1 Update on Activities of the Strategic Risk and Internal Audit Group Meetings] listed on the Agenda.

Grounds and Basis

Section 90 (3) (i) of the *Local Government Act 1999* [litigation]:

Information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council.

The Item is of a confidential nature because the report includes information disclosure of which could reasonably be expected to prejudice the outcome of Council's actual litigation.

2. Pursuant to s 90(2) of the *Local Government Act 1999 (SA)* this meeting of The Committee dated 22/2/2019 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 9.1 Update on Activities of the Strategic Risk and Internal Audit Group Meetings] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in s 90(3) (i) of the Act.

Carried

There were no members of the public or Corporation staff present not directly involved with Item 9.1 to leave the Colonel Light Room at 9.36 am.

Confidential Item 9.1

Update on Activities of the Strategic Risk and Internal Audit Group Meetings

Section 90 (3) (i) of the *Local Government Act 1999 (SA)*

Page 5

The Colonel Light Room re-opened to the public at 9.48 am.

Confidentiality Order

Minute 8 - Item 9.1 - Update on Activities of the Strategic Risk and Internal Audit Group Meetings [AC]

Resolution & Confidentiality Order

THAT

1. The Audit Committee receives and notes the report.
2. The report is provided to the next meeting of the Council as part of the confidential report of the Audit Committee meeting,
3. In accordance with Section 91(7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 9.1 listed on the Agenda for the meeting of the Audit Committee held on 22 February 2019 was received, discussed and considered in confidence pursuant to Section 90(3) (i) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee, do order that:
 - 3.1. The resolution becomes public information and included in the Minutes of the meeting.
 - 3.2. The report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until December 2026.
 - 3.3. The confidentiality of the matter be reviewed in December 2019.
 - 3.4. The Chief Executive Officer be delegated the authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked.

Discussion ensued.

Closure

The meeting closed at 9.50 am.

Mr David Powell
Presiding Member
City of Adelaide Audit Committee