



AUDIT COMMITTEE

AGENDA & REPORTS

for the meeting

Friday 7 August 2020
at 8.30 am

in the Colonel Light Room
Adelaide Town Hall



Membership:	The Lord Mayor 1 Council Member 3 External Independent Members 2 Proxy Council Members
Quorum:	3
Presiding Member	Mr David Powell
Deputy Presiding Member	Mr Ross Haslam
Members	The Right Honourable the Lord Mayor [Sandy Verschoor] [Apology] Ms Paula Davies Councillor Hyde (Deputy Lord Mayor)
Proxy Members	<i>Councillor Knoll [proxy for the Lord Mayor]</i> <i>Councillor Couros [proxy for Councillor Hyde].</i>

1. Confirmation of Minutes – 19/6/2020 & 31/7/2020

That the Minutes of the meeting of the City of Adelaide Audit Committee held on 19 June 2020 and the Minutes of the Special meeting of the City of Adelaide Audit Committee held on 31 July 2020, be taken as read and be confirmed as an accurate record of proceedings.

2. Acknowledgement of Country

'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.'

3. Presiding Member Reports

4. Presentation

4.1. Service Planning and Performance [2017/03236] [Page 3]

5. Reports

5.1. Presiding Member's Annual Report [2019/02483] [Page 13]

5.2. Annual Report Risk Statement [2019/02443] [Page 18]

5.3. Internal Audit Progress Report [2020/00774] [Page 22]

6. Emerging Key Risks

7. Independent Member Discussion

8. Other Business

9. Item Seeking Exclusion of the Public

9.1. Exclusion of the Public to Consider [2018/04291] [Page 26]:

For the following items seeking consideration in confidence:

10.1 Confidential Presentation - Corporate Climate Change Risk Assessment [s 90(3) (b) & (d)]

11.1 Corporate Climate Change Risk Assessment [s 90(3) (b) & (d)]

11.2 Provision of External Audit Services [s 90(3) (k)]

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

11.4 Confidential Discussion with the Internal Auditor [s 90(3) (b)]

10. Confidential Items

10.1. Confidential Presentation - Corporate Climate Change Risk Assessment [2019/01119]

To be distributed separately

11. Confidential Items

11.1. Corporate Climate Change Risk Assessment [2019/01119]

To be distributed separately

11.2. Provision of External Audit Services [2020/00150] [Page 31]

11.3. Update on Activities of the Strategic Risk and Internal Audit Group Meetings [2012/00053] [Page 43]

11.4. Confidential Discussion with the Internal Auditor [2020/00774] [Page 47]

12. Closure

Enabling Priorities

Service Planning and Performance
Audit Committee | 7th August 2020

Customer and People
Manager Strategy and Insights



Recap and Current Focus

Recap

- At the last meeting we presented how our serviced based information was critical to the management of our Business Continuity Planning throughout COVID-19.

Current Focus

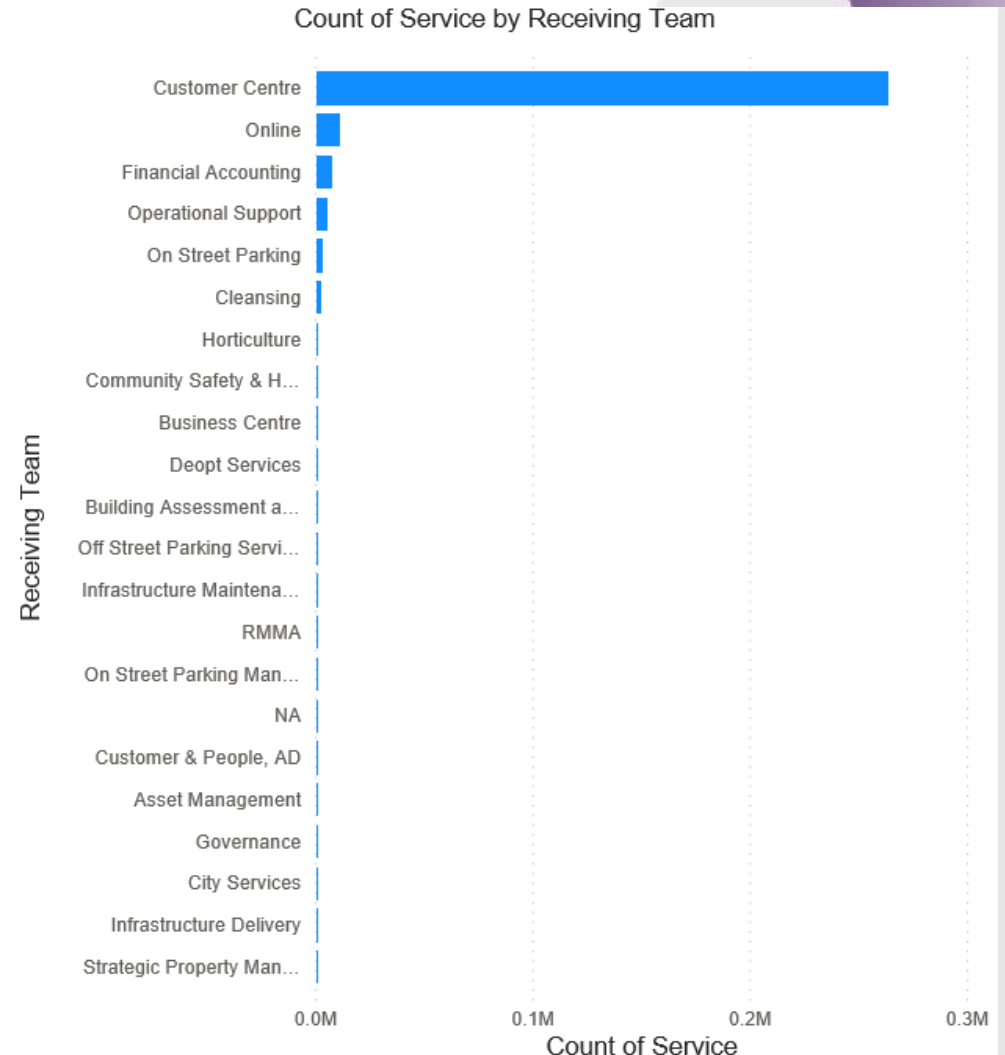
- As the majority of our services and functions are back up and running we have progressed from Business Continuity Planning into Service Demand Management.
- Integrating service based information into the 2020-21 Business Plan and Budget has also opened a dialogue with the community on what services they value and where they would prioritise investment.

Service Planning and Performance

Service Demand Management

To begin understanding service demand we have sought answers to the following

- What is a measure of service demand i.e.
 - user, subscriber or member counts
 - customer requests
- What influences service demand i.e.
 - resident numbers, visitor numbers, seasons (climate)
- How do we currently capture and store quantitative data i.e.
 - Pathway – Customer requests and interactions
 - Assetic – Asset Information
 - Qualtrics and Your say - Community Engagement Public value and sentiment
 - Footfall and device detection data



We have started with pathway – One of our largest sources of community interaction data.

Service Planning and Performance

Service Demand Management

We have mapped our 92 services to the 339 current customer call codes in pathway.

The top 15 services aligned with customer requests and/or enquiries are those services that deliver essential local government roles either in our capacity as;

A Regulator e.g.

- On street parking
- Business Centre (Permit management)
- Planning Assessment
- Community Safety
- Environmental Health
- Rating

Owner and custodian e.g.

- Cleansing
- Park Lands Maintenance
- Arboriculture

Or Service Provider

- Waste Management
- Creative and cultural experiences (i.e. libraries)



Service Planning and Performance

Service Demand Management

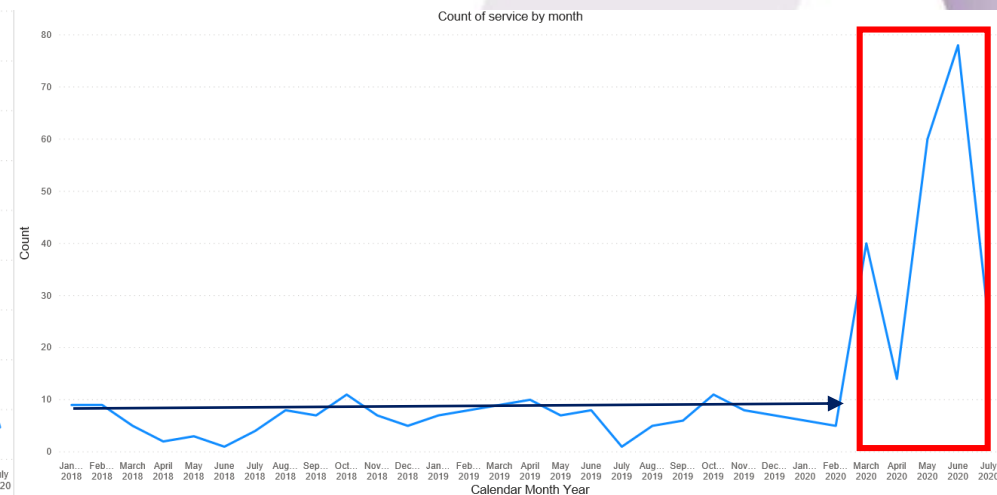
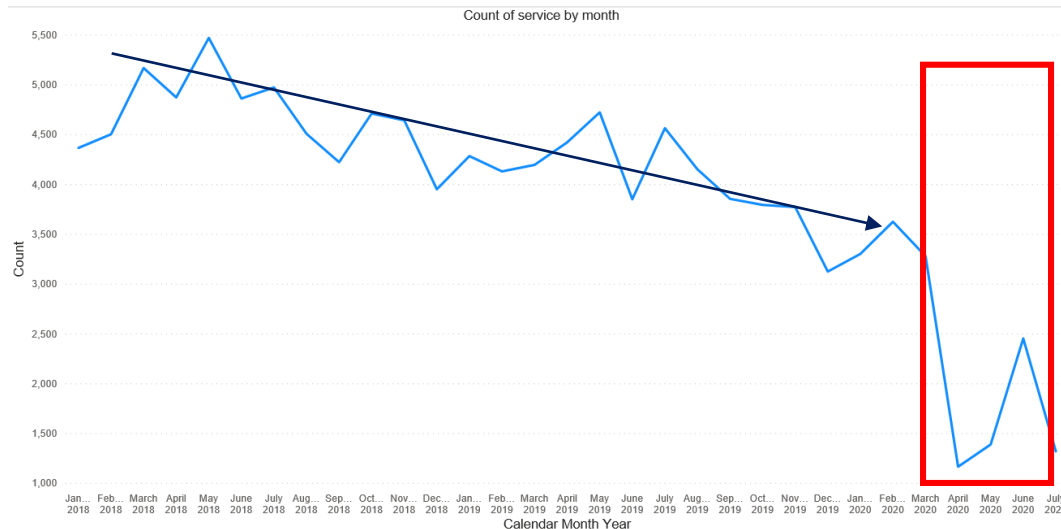
The data that flows through pathway and which is principally managed by our customer centre allows us to interrogate how “customer demand” has shifted over time.

With years of data available in the pathway system we have mapped from 2018 to now. **However this is only one part of the picture.**

On street Parking

COVID 19 Period

Aquatic Centre



Understanding what influences demand will allow us to model how demand may change over time. Key information such as membership or user data, footfall data, device detection data, resident/visitor numbers and seasonal data can influence what demand on a service might be over time.

All the above assists with building our corporate reporting framework and measures for service performance.

Public Value – Consultation on Business Plan and Budget

For the first time we have opened a dialogue with the community on the services we provide.

We sought input on the following questions...

Importance

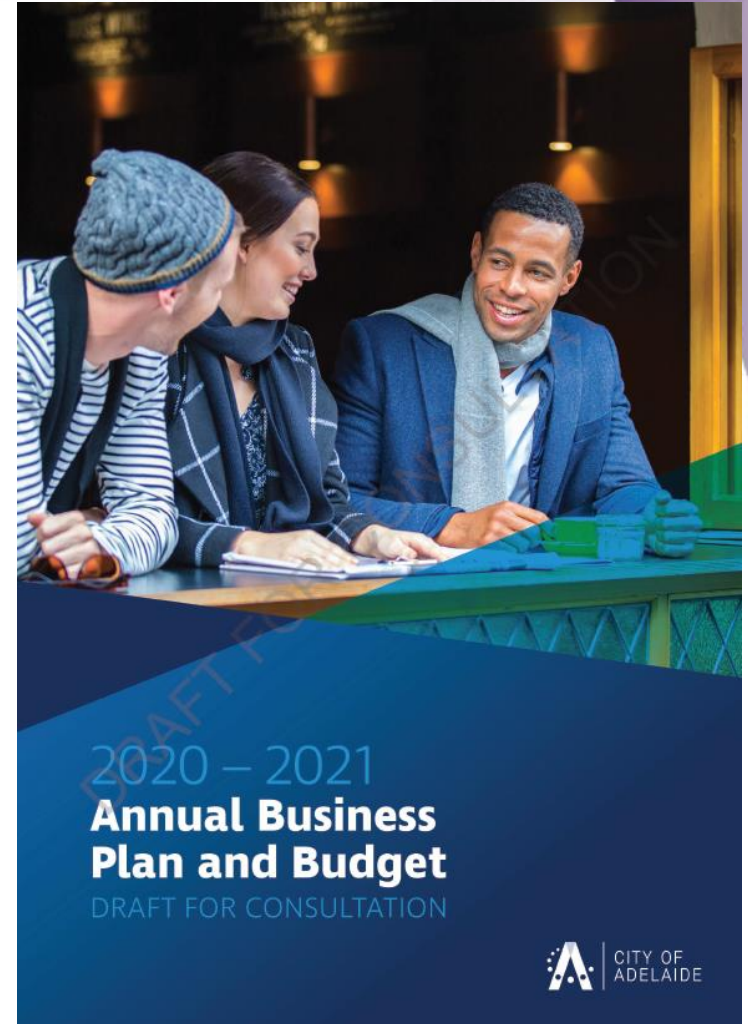
- Which service categories are most important to you?
- Which service categories are least important to you?

Performance

- Which service categories is council performing best in?
- Which service categories is council performing worst in?

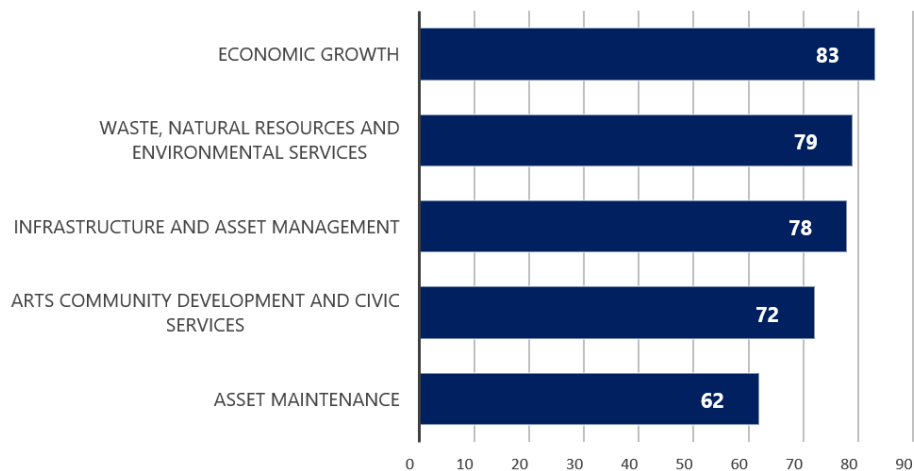
Investment

- In which service categories would you prioritise council investment?
- In which service categories would you like to see less council investment?



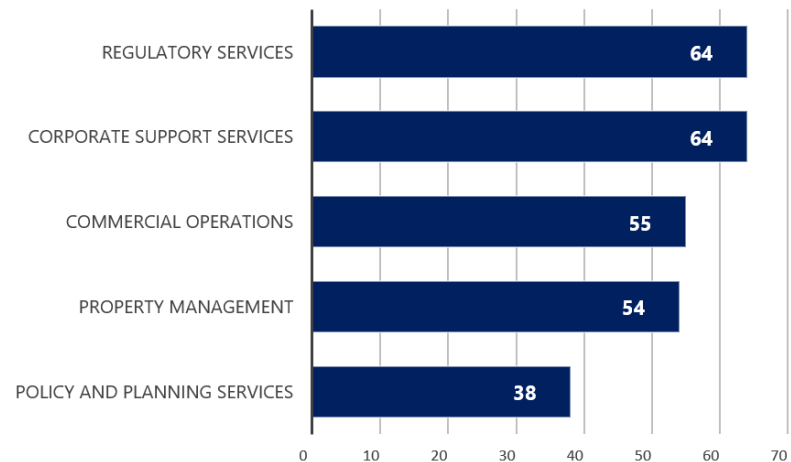
Importance

Survey Question: Which service categories are most important to you?



Top five most important service categories – by number of responses

Survey Question: Which service categories are least important to you?

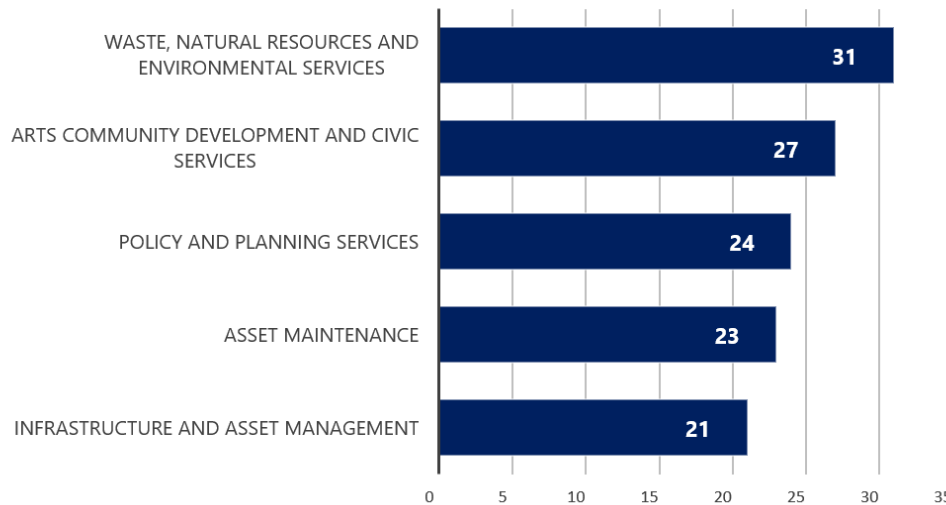


Top five least important service categories – by number of responses

N 109 (Survey Respondents)

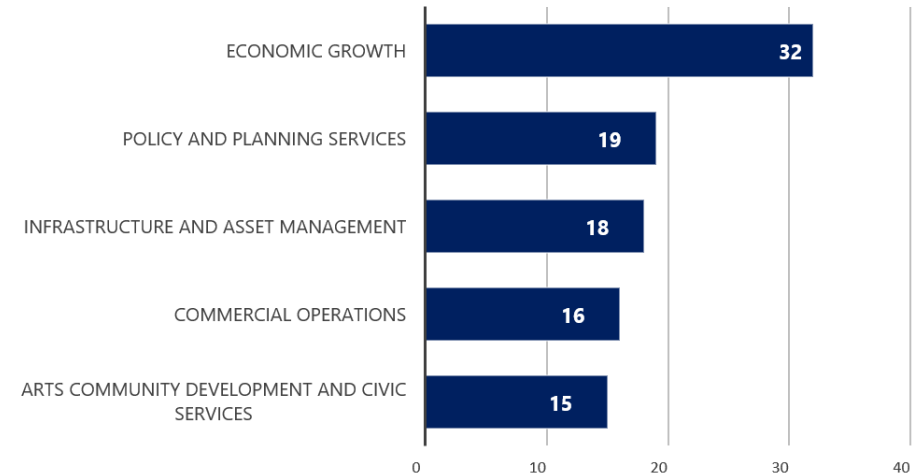
Performance

Survey Question: Which service categories is Council performing best in?



Top five best performing service categories – by number of responses

Survey Question: Which service categories is Council performing worst in?

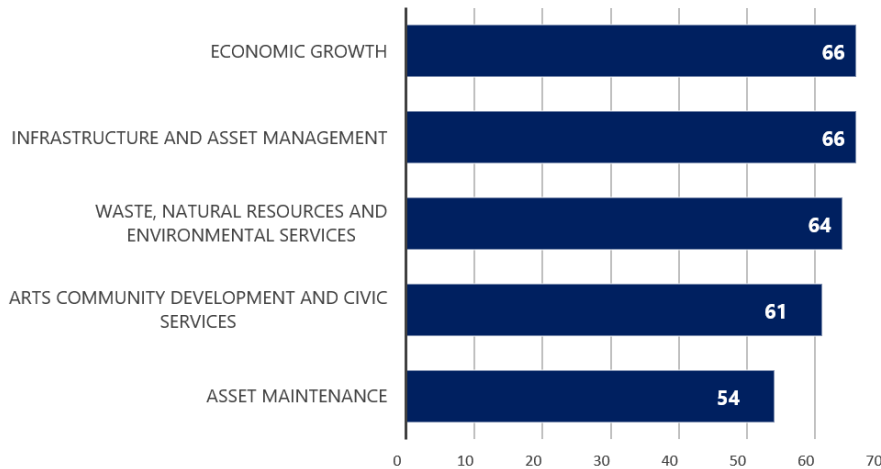


Top five worst performing service categories – by number of responses

N 109 (Survey Respondents)

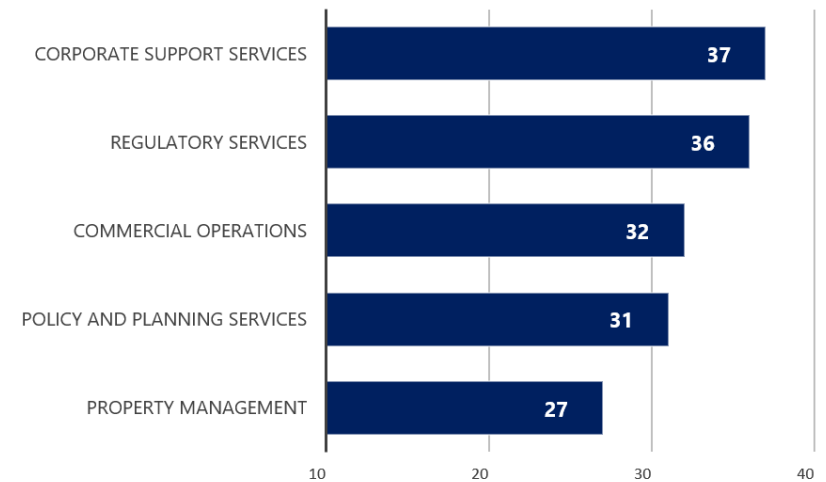
Council Investment

Survey Question: In which service categories would you prioritise Council investment?



Top five priorities for Council investment – by number of responses

Survey Question: In which service categories would you like to see less Council investment?



Top five priorities to reduce Council investment – by number of responses

N 109 (Survey Respondents)

Service Planning and Performance

Next Steps

1. Continue to build and map service demand with the aim of integrating this information into future service and business planning.
2. Continue an open dialogue with our community with the aim of understanding more deeply community expectations on service delivery.
3. Build an integrated corporate reporting framework with the aim of measuring and reporting on service performance.
 - Integrating service based performance and planning metrics (KPIs, Service Levels etc)
4. Build service based Delivery Plans in alignment with Strategic Plan Priorities.

Presiding Member's Annual Report

ITEM 5.1 07/08/2020
Audit Committee

Strategic Alignment - Enabling Priorities

Program Contact:
Rudi Deco, Manager Governance
8203 7442

2019/02483
Public

Approving Officer:
Mark Goldstone, Chief Executive
Officer

EXECUTIVE SUMMARY

The Presiding Member's Report summarises the activities of the Audit Committee during the 2019/20 financial year.

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RECOMMENDATION

THAT THE AUDIT COMMITTEE

1. Receives and notes the Presiding Member's Annual Report for the 2019/20 financial year as included in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit Committee held on 7 August 2020
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The role of the City of Adelaide is diverse and complex. Our core role is to deliver services to the community as a leader, service provider, regulator, advocate, facilitator and owner of assets.
Policy	Pursuant to the Audit Committee Terms of Reference, the Presiding Member shall report annually to Audit Committee and Council summarising the activities of the Committee during the previous financial year.
Consultation	Not in relation to this report
Resource	Not in relation to this report
Risk / Legal / Legislative	Not in relation to this report
Opportunities	Open, transparent and informed decision making
20/21 Budget Allocation	Not in relation to this report
Proposed 21/22 Budget Allocation	Not in relation to this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not in relation to this report
20/21 Budget Reconsideration (if applicable)	Not in relation to this report
Ongoing Costs (eg maintenance cost)	Not in relation to this report
Other Funding Sources	Not in relation to this report

DISCUSSION

1. The City of Adelaide Audit Committee was first established in September 2005.
 2. Following Council's decision at its meeting on 19 November 2019, the Audit Committee was re-established in November 2019.
 3. During the 2019/20 financial year, the Audit Committee met for six (6) ordinary meetings and two (2) special meetings.
 4. Substantive issues dealt with by the Audit Committee during the previous financial year included (but were not limited to):
 - 4.1. Financial Statement;
 - 4.2. Activities of the Strategic Risk and Internal Audit Group;
 - 4.3. Internal Audit Program Updates;
 - 4.4. Internal Controls;
 - 4.5. Section 270 *Local Government Act 1999* Internal Reviews;
 - 4.6. 2020-21 Budget, Financial Reporting Indicators, Fixed Asset Accounting Guidelines and Service Prioritisation; and
 - 4.7. Audit Committee Terms of Reference.
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ATTACHMENTS

Attachment A – Presiding Member's Annual Report for the 2019/20 financial year

- END OF REPORT -

City of Adelaide Audit Committee

Presiding Member's Report

I am pleased to present the Presiding Member Report for the City of Adelaide Audit Committee for the year ended 30 June 2020.

The Audit Committee was re-established by Council, in November 2019 and the members are listed below (including those from the previous term). We met eight (8) times which included six (6) ordinary meetings and two (2) special meetings for the 2019/2020 year and attendances at these meetings are as follows:

• David Powell (Presiding Member)	8/8
• Ross Haslam (Deputy Presiding Member)	8/8
• Sean Tu (Former Independent Member)	1/3
• Paula Davies (Independent Member)	5/5
• Lord Mayor Sandy Verschoor	6/8
• Former Councillor Phillip Martin	4/4
• Councillor Alex Hyde	7/7
• Councillor Franz Knoll (proxy)	1/1
• Councillor Mary Couros (proxy)	1/1

The substantive issues that were dealt with during the year were:

- A review and update of the Terms of Reference of the Audit Committee and recommendation to Council;
- A review of the Corporate Complaints Handling processes, including section 270 internal reviews;
- A review of the Council's Internal Controls and Risk Management Statement for inclusion in the financial statements;
- A review of the Council's Strategic Risk and Internal Audit Group;
- A review of the 2019 financial statements and the accounting policies that are adopted;
- A review of Audit Committee meeting schedule and work plan;
- A review of the end of year financial reporting process and proposed timetable to ensure compliance with the legislative requirements;
- A review of the scope and methodology of the external audit undertaken and a review of the implementation of recommendations proposed;
- A review of the progress of the internal audit program, detailed internal audit reports and implementation of the recommendations on a regular basis;
 - Environmental Health Management
 - Stores Management
 - Employee Reimbursements
 - Post-Audit Implementation
 - Legislative Compliance
 - Budget Management
 - Employee Travel Expenditure
 - Section 7 Statements
 - Fraud Prevention
- Continuous review of the risk management procedures of Council and the administration; and

- Workshopped the 2020-21 Budget, Financial Reporting Indicators, Fixed Asset Accounting Guidelines and Service Prioritisation.

Presentations to the Audit Committee during the year have included:

- Value and Efficiency Update
- Business Plan and Budget
- Service Planning and Performance
- Strategic Property Review
- Impact of COVID-19 on services and finances
- Business Systems Roadmap Update
- Rundle Mall Management Authority
- Adelaide Central Market Authority

The Audit Committee considered 14 matters in confidence and applied 12 confidential orders. I am satisfied that these were an appropriate use of the provisions of Section 90 and 91 of the *Local Government Act 1999*.

I also presented to Council on the 20 August 2019 on Climate Change risks which was an excellent opportunity to discuss further the level of importance this should play in all decision-making practices. I would like to express my appreciation to the members of the Committee for their participation in the Committee's deliberations, and to management and staff of the Council for their assistance and clarifications where required.

I look forward to the year ahead and supporting the City of Adelaide mitigate risks associated with COVID-19.



DAVID POWELL

Presiding Member

Date: 3 July 2020

Annual Report Risk Statement

ITEM 5.2 07/08/2020
Audit Committee

Strategic Alignment - Enabling Priorities

Program Contact:
Rudi Deco, Manager Governance
8203 7442

2019/02443
Public

Approving Officer:
Mark Goldstone, Chief Executive
Officer

EXECUTIVE SUMMARY

Pursuant to section 7.2 of its Terms of Reference, the Audit Committee shall review and, where appropriate, recommend the approval of statements to be included in the Annual Report concerning internal controls and risk management.

RECOMMENDATION

THAT THE AUDIT COMMITTEE

1. Recommends approval of the statements to be included in the Annual Report, as outlined in Attachment A to Item 5.2 on the Agenda of the City of Adelaide Audit Committee held on 7 August 2020.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The role of the City of Adelaide is diverse and complex. Our core role is to deliver services to the community as a leader, service provider, regulator, advocate, facilitator and owner of assets.
Policy	Alignment with the Audit Committee Terms of Reference
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Not as a result of this report
20/21 Budget Allocation	Not as a result of this report
Proposed 21/22 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
20/21 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. At its meeting on 19 November 2019, Council established the Audit Committee for the 2020 – 2023 term.
2. At its meeting on Tuesday 11 February 2020, Council endorsed the Audit Committee's Terms of Reference.
3. Pursuant to section 7.2 of the Audit Committee's Terms of Reference, the Audit Committee shall:
 - 3.1. Keep under review the effectiveness of the Council's internal controls and risk management systems; and
 - 3.2. Review and recommend the approval, where appropriate, of statements to be included in the Annual Report concerning internal controls and risk management.
4. The statement to be included in the Annual Report (**Attachment A**) outlines the Council's Risk Management Operating Guideline including internal and external audits, risk identification and assessment, and internal controls.
5. The statement is only a brief overview for the purpose of the Annual Report.

ATTACHMENTS

Attachment A – Risk Management Statement for the Annual Report

- END OF REPORT -

Risk Management Operating Guideline

The Audit Committee was established pursuant to Section 126 of the *Local Government Act 1999*, to assist the Council discharge its responsibilities. Reporting to City of Adelaide, the Audit Committee provides advice and recommendations on matters relevant to its Terms of Reference in order to facilitate decision making by Council in regard to financial reporting, internal controls, risk management, management plans and business plans, service planning and performance, internal audit and external audit.

City of Adelaide maintains an Internal Audit function which reports to Management and the Audit Committee. The role of the Internal Auditor is to identify more efficient and effective processes and to assist Council and the Chief Executive Officer meet their assurance obligations. The Internal Audit function is contracted to KPMG for a period of 2 years, expiring in 2021. The Internal Audit plan is reviewed and endorsed by the Audit Committee and the Committee is presented with internal audit report findings bimonthly.

Pursuant to Section 128 of the *Local Government Act 1999*, the External Auditors appointed by Council are BDO Audit Partnership (SA). To maintain the highest standards of corporate governance in relation to auditor independence, the External Auditors are excluded from providing non-audit services to Council. Non-audit services are defined as any service provided by the External Auditors under engagement with the Council outside the scope of the external audit. The Audit Committee reviews the scope and progress of the annual audit in accordance with its Terms of Reference.

Enterprise Risk Management

City of Adelaide manages strategic, emerging, project, operational, and financial risks through its Enterprise Risk Management Framework which has been developed in accordance with International Standard ISO 31000:2018.

The framework ensures risks are identified, assessed and properly managed and reported on. Such a process ensures that Council is able to achieve its strategic goals and that the Lord Mayor and Councillors fulfil their legislative roles.

The success of the Enterprise Risk Management model is a result of a strong Executive involvement through monthly reporting of risk and internal audit matters to the Executive Strategic Risk and Internal Audit Group, and quarterly reporting to the Audit Committee.

Internal Control Framework

Pursuant to Section 125 of the *Local Government Act 1999*, Council must ensure that appropriate policies and procedures of internal controls are implemented and reviewed to assist Council to carry out its activities in an efficient manner to achieve its strategic objectives. Council's Internal Controls are processes for assuring Council's achievement of objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. Internal Controls include a range of activities such as approvals, delegations, security of assets and segregation of duties.

Internal Audit Progress Report

ITEM 5.3 07/08/2020

Audit Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Rudi Deco, Manager Governance
8203 7442

2020/00774

Public

Approving Officer:

Mark Goldstone, Chief Executive
Officer

EXECUTIVE SUMMARY

To provide the Audit Committee with a progress update on the Internal Audit program, findings and recommendations.

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RECOMMENDATION

THAT THE AUDIT COMMITTEE

1. Notes the Internal Audit Progress Update report.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities The role of the City of Adelaide is diverse and complex. Our core role is to deliver service to the community as a leader, service provider, advocate, facilitator and owner of assets.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	The Internal Audit program provides advice to the Audit Committee on assurance related activities to meet best practice standards.
20/21 Budget Allocation	\$70,000
Proposed 21/22 Budget Allocation	To be confirmed
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
20/21 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. The role of Internal Audit is to assist Council, Audit Committee and the Chief Executive Officer in meeting their assurance obligations relating to corporate governance, the system of internal controls and identifying areas for more efficient processes.
2. Pursuant to the Audit Committee's Terms of Reference, approved by Council on 11 February 2020, the Audit Committee shall receive reports on all Internal Audit projects and shall review and monitor management's responsiveness to the findings and recommendations of the Internal Auditor (KPMG) and inhouse advice. At the request of the Audit Committee, full copies of all completed audit reports are included [here](#).
3. The Internal Audit Plan (the Plan) 2020/2021 was endorsed by Audit Committee at its meeting on 19 June 2020. The Audit Committee can at all times consider an amendment to the plan in context of operational needs and priorities.
4. A summary of internal audits (IA), strategic reviews (SR) and internal investigations (II) for the period May 2020 to July 2020 is provided below:

Completed projects:	Fraud Prevention Framework (IA) ICAC – Evaluation of Policies, Practices and Procedures (IA) Event Funding (IA)
Continuing projects:	Parklands Expenditure (IA) Legislative Compliance (IA)
Projects commenced:	Social Media (IA)

5. Recommendations arising from Internal Audit and Strategic Reviews are reported to SRIA. Associate Directors are involved (as appropriate) in the reviews and assist in drafting the management responses, agree on actions, and have overall responsibility of the completion dates.
6. Recommendations, agreed actions, responsibilities and timeframes for implementation are recorded centrally in Council's process mapping software system, Promapp. The implementation status of recommendations is tracked and reported to the Audit Committee.
7. Since the last Internal Audit Progress Update reported to the Audit Committee at its meeting on 1 May 2020, forty-one (41) internal audit recommendations have been completed and one hundred and one (101) recommendations are in progress (view [here](#)), as summarised in the table below:

Risk	Definition	Overdue	In Progress	Total
High	Issue represents a control weakness which could have or is having major adverse effect on the ability to achieve project objectives. Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months.	0	15	15
Moderate	Issue represents a control weakness which could have or is having a moderate effect on the ability to achieve process objectives. Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months.	0	38	38
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve project objectives. Timeframe for action is subject to competing priorities and cost/benefit analysis, e.g. 9-12 months	0	35	35
	Total	0	88	88
N/A	Improvement Opportunity	0	20	20

DATA AND SUPPORTING INFORMATION

Link 1 – Completed Internal Audit Reports

Link 2 – Progress Summary of Recommendations Report

ATTACHMENTS

Nil

- END OF REPORT -

Exclusion of the Public

ITEM 9.1 07/08/2020
Audit Committee

Program Contact:
Rudi Deco, Manager
Governance 8203 7442

2018/04291
Public

Approving Officer:
Mark Goldstone, Chief
Executive Officer

EXECUTIVE SUMMARY

It is the recommendation of the Chief Executive Officer that the public be excluded from this Audit Committee meeting for the consideration of information and matters contained in the Agenda.

For the following confidential items:

- 10.1** Presentation - Corporate Climate Change Risk Assessment [s 90(3) (b) & (d)]
- 11.1** Corporate Climate Change Risk Assessment [s 90(3) (b) & (d)]
- 11.2** Provision of External Audit Services [s 90(3) (k)]
- 11.3** Update on Activities of the Strategic Risk and Internal Audit Group Meetings [s 90(3) (i)]
- 11.4** Confidential Discussion with the Internal Auditor [s 90(3) (b)]

The Order to Exclude for Items 10.1, 11.1, 11.2, 11.3 and 11.4

1. Identifies the information and matters (grounds) from s 90(3) of the *Local Government Act 1999 (SA)* utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition identifies for the following grounds – s 90(3) (b), (d) or (j) - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 10.1

THAT THE AUDIT COMMITTEE

1. Having taken into account the relevant consideration contained in s 90(3) (b) & (d) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 7/8/2020 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 10.1 [Presentation - Corporate Climate Change Risk Assessment] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

This Item is confidential in nature because the report includes information on potential risks for which Council has yet to determine mitigations strategies.

Disclosure of this information could prejudice the City of Adelaide's commercial position.

Public Interest

The Audit Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information relates to a potential risk for Council's commercial position in risk mitigation considerations.

- Pursuant to s 90(2) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 7/8/2020 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 10.1 [Presentation Corporate Climate Change Risk Assessment] 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) (b) & (d) of the Act.

ORDER TO EXCLUDE FOR ITEM 11.1

THAT THE AUDIT COMMITTEE

- Having taken into account the relevant consideration contained in s 90(3) (b) & (d) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 7/8/2020 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 11.1 [Corporate Climate Change Risk Assessment] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

This Item is confidential in nature because the report includes information on potential risks for which Council has yet to determine mitigations strategies.

Disclosure of this information could prejudice the City of Adelaide's commercial position.

Public Interest

The Audit Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information relates to a potential risk for Council's commercial position in risk mitigation considerations.

- Pursuant to s 90(2) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 7/8/2020 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 11.1 [Corporate Climate Change Risk Assessment] 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) (b) & (d) of the Act.

ORDER TO EXCLUDE FOR ITEM 11.2

THAT THE AUDIT COMMITTEE

- 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 7/8/2020 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 11.2 [Provision of External Audit Services] listed on the Agenda.

Grounds and Basis

This Item is confidential because the report outlines information and the process relating to the provision of external audit services to Council.

The disclosure of information in this report includes the procurement plan with the evaluation criteria and weightings outlined. Council is due to go to market this year for a new contract. Information released prior could compromise the outcome of the process.

Public Interest

The Audit Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information relates to a tender for the supply of external audit services.

- Pursuant to s 90(2) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 7/8/2020 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 11.2 [Provision of External Audit Services] 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) (k) of the Act.

ORDER TO EXCLUDE FOR ITEM 11.3

THAT THE AUDIT 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 7/8/2020 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 11.3 [Update on Activities of the Strategic Risk and Internal Audit Group Meetings] listed on the Agenda.

Grounds and Basis

This Item is confidential nature because the report includes information on Council litigation.

The disclosure of information in this report could reasonably be expected to prejudice the outcome of Council's actual litigation.

The Audit Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information relates to actual litigation of council.

2. Pursuant to s 90(2) of the *Local Government Act 1999 (SA)* this meeting of the Audit Committee dated 7/8/2020 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 11.3 [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.

ORDER TO EXCLUDE FOR ITEM 11.4

THAT THE AUDIT COMMITTEE

1. Having taken into account the relevant consideration contained in s 90(3) (b) and s 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 7/8/2020 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 11.4 [Confidential Discussion with the Internal Auditor] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

This Item in the discussion could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting or proposing to business.

The disclosure of information discussed may adversely impact the commercial position of the Council.

Public Interest

The Audit Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information may result in release of information of 'commercial advantage' of the person conducting business with Council.

2. Pursuant to s 90(2) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 7/8/2020 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 11.4 [Confidential Discussion with the Internal Auditor] 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) (b) of the Act.

DISCUSSION

1. s 90(1) of the *Local Government Act 1999 (SA)*, directs that a meeting of a Council Committee must be conducted in a place open to the public.
2. s 90(2) of the *Local Government Act 1999 (SA)*, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in s 90(3).
3. s 90(3) prescribes the information and matters that a Council may order that the public be excluded from.
4. s 90(4) of the *Local Government Act 1999 (SA)*, advises that in considering whether an order should be made under s 90(2), it is irrelevant that discussion of a matter in public may:
 - 4.1 cause embarrassment to the council or council committee concerned, or to members or employees of the council; or
 - 4.2 cause a loss of confidence in the council or council committee.’
 - 4.3 involve discussion of a matter that is controversial within the council area; or
 - 4.4 make the council susceptible to adverse criticism.
5. s 90(7) of the *Local Government Act 1999 (SA)* requires that an order to exclude the public:
 - 5.1 Identify the information and matters (grounds) from s 90(3) of the *Local Government Act 1999 (SA)* utilised to request consideration in confidence;
 - 5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public; and
 - 5.3 In addition identify for the following grounds – s 90(3) (b), (d) or (j) - how information open to the public would be contrary to the public interest.
6. s 87(10) of the *Local Government Act 1999 (SA)* has been utilised to identify in the Agenda and on the Report for the meeting, that the following matters are submitted seeking consideration in confidence.
 - 6.1 Information contained in Item 10.1 – Presentation – Corporate Climate Change Risk Assessment
 - 6.1.1 Is not subject to an Existing Confidentiality Order
 - 6.1.2 The grounds utilised to request consideration in confidence is s 90(3) (b) & (d)
 - (b) information the disclosure of which—
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - (ii) would, on balance, be contrary to the public interest
 - (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - (ii) would, on balance, be contrary to the public interest
 - 6.2 Information contained in Item 11.1 – Corporate Climate Change Risk Assessment
 - 6.2.1 Is not subject to an Existing Confidentiality Order
 - 6.2.2 The grounds utilised to request consideration in confidence is s 90(3) (b) & (d)
 - (b) information the disclosure of which—
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - (ii) would, on balance, be contrary to the public interest
 - (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—
 - (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and

- (ii) would, on balance, be contrary to the public interest
- 6.3 Information contained in Item 11.2 – Provision of External Audit Services
 - 6.3.1 Is not subject to an Existing Confidentiality Order
 - 6.3.2 The grounds utilised to request consideration in confidence is s 90(3) (k)
 - (k) tenders for the supply of goods, the provision of services or the carrying out of works
- 6.4 Information contained in Item 11.3 – Update on Activities of the Strategic Risk and Internal Audit Group Meetings
 - 6.4.1 Is not subject to an Existing Confidentiality Order
 - 6.4.2 The grounds utilised to request consideration in confidence is s 90(3) (i)
 - (i) Information relating to the 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
- 6.5 Information contained in Item 11.4 – Confidential Discussion with the Internal Auditor
 - 6.4.1 Is not subject to an Existing Confidentiality Order
 - 6.4.2 The grounds utilised to request consideration in confidence is s 90(3) (b)
 - (b) information the disclosure of which –
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct business or to prejudice the commercial position of the council; and
 - (ii) would, on balance, be contrary to the public interest.

ATTACHMENTS

Nil

- END OF REPORT -

Confidential Item 11.2

Provision of External Audit Services

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

Pages 31 to 42

Confidential Item 11.3

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

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

Pages 43 to 46

Confidential Item 11.4

Confidential Discussion with the Internal Auditor

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

Pages 47 to 49
