



AUDIT COMMITTEE

MINUTES

for the meeting

Friday 7 August 2020

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] Ms Paula Davies
Proxy Members	<i>Councillor Couros [proxy for Councillor Hyde]</i>

Apologies –

Member	Councillor Hyde (Deputy Lord Mayor)
Proxy Members	<i>Councillor Knoll [proxy for the Lord Mayor].</i>

In Attendance

Mr Mark Goldstone, Chief Executive Officer, City of Adelaide
 Ms Clare Mockler, Deputy CEO & Director Culture, City of Adelaide
 Mr Sonjoy Ghosh, Associate Director Information Management and Acting Associate Director Strategic Finance & Performance, City of Adelaide
 Ms Michelle English, Associate Director Economic Development & Sustainability, City of Adelaide
 Mr Matthew Hulmes, Manager Strategy & Insights, City of Adelaide
 Mr Rudi Deco, Manager Governance, City of Adelaide
 Mr Alex Brown, Manager Financial Planning & Analysis, City of Adelaide
 Ms Liz Packer, Manager Financial Accounting, City of Adelaide
 Mr Eric Beere, Partner, KPMG
 Ms Heather Martens, Manager, KPMG
 Dr Mark Siebentritt, Director and General Manager SA, Edge Environment

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.’

Confirmation of Minutes

1. **Item 1 - Confirmation of Minutes – 19/6/2020 & 31/7/2020 [AC]**

Moved by Mr Haslam,
Seconded by Ms Davies –

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.

Carried

Presiding Member Reports

Nil

Presentation

2. **Item 4.1 - Presentation - Service Planning and Performance [2017/03236] [AC]**

Presenter:

Mr Matthew Hulmes, Manager Strategy & Insights, City of Adelaide

Precis of topic:

Utilising the PowerPoint presentation published in the Agenda, the Audit Committee was provided with an update on service planning and performance.

During the presentation Councillor Couros entered the Colonel Light Room at 8.39 am.

Reports

3. **Item 5.1 - Presiding Member's Annual Report [2019/02483] [AC]**

Moved by Mr Haslam,
Seconded by Ms Davies –

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.

Carried

4. **Item 5.2 - Annual Report Risk Statement [2019/02443] [AC]**

Mr Rudi Deco, Manager Governance, City of Adelaide provided an overview of the report.

It was then –

Moved by Mr Haslam,
Seconded by the Lord Mayor –

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.

Carried

5. **Item 5.3 - Internal Audit Progress Report [2020/00774] [AC]**

Mr Rudi Deco, Manager Governance, City of Adelaide provided an overview of the report.

Mr Eric Beere, Partner and Ms Heather Martens, Manager, KPMG provided an overview of the KPMG Internal Audit Report

Discussion ensued during which:

- Mr Rudi Deco, Mr Eric Beere and Ms Heather Martens responded to questions.
- The Lord Mayor left the Colonel Light Room at 9.07 am and re-entered at 9.08 am.

CEO Undertaking – Fraud Risk Awareness Training [AC]

In response to the meeting the CEO gave an undertaking that further refresher fraud risk awareness training at a Senior Management level would be conducted.

It was then –

Moved by Mr Haslam,
Seconded by Ms Davies –

THAT THE AUDIT COMMITTEE

1. Notes the Internal Audit Progress Update report.

Carried

Emerging Key Risks

Nil

Independent Member Discussion

Discussion ensued

Other Business

Nil

Exclusion of the Public

6. Item 9.1 - Exclusion of the Public to Consider [2018/04291] [AC]:

For the following item 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)]

Order to Exclude for Item 10.1

Moved by Mr Haslam,
Seconded by Ms Davies –

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.

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 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.

Carried

Order to Exclude for Item 11.1

Moved by Ms Davies,
Seconded by Mr Haslam –

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 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.

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 11.1 [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.

Carried

Order to Exclude for Item 11.2

Moved by Mr Haslam,
Seconded by Ms Davies –

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 11.2 [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.

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 11.2 [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.

Carried

Order to Exclude for Item 11.3

Moved by Ms Davies,
Seconded by Mr Haslam –

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.

Carried

Order to Exclude for Item 11.4

Moved by the Lord Mayor,
Seconded by Councillor Couros –

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.

Carried

The Presiding Member advised the meeting that item 11.4 would be considered prior to Item 10.1.

All members of Corporation staff present left the Colonel Light Room at 9.20 am.

Confidential Item 11.4

Confidential Discussion with the Internal Auditor
Section 90 (3) (b) of the *Local Government Act 1999 (SA)*
Page 6

Confidential Item 10.1

Presentation – Corporate Climate Change Risk Assessment
Section 90 (3) (b) & (d) of the *Local Government Act 1999 (SA)*
Pages 6 - 22

Confidential Item 11.1

Corporate Climate Change Risk Assessment
Section 90 (3) (b) & (d) of the *Local Government Act 1999 (SA)*
Page 23 - 178

Confidential Item 11.2

Provision of External Audit Services
Section 90 (3) (i) of the *Local Government Act 1999 (SA)*
Page 179

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)*
Page 179

The Colonel Light Room re-opened to the public at 10.28 am.

Confidentiality Order

Minute 7 - Item 11.4 - Confidential Discussion with the Internal Auditor [AC]

Confidentiality Order

In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 11.4 [Confidential Discussion with the Internal Auditor] listed on the Agenda for the meeting of the Audit Committee held on 7 August 2020 was received, discussed and considered in confidence pursuant to Section 90 (3) (b) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee, do order that:

1. The discussion and the Minutes of the meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2027.
2. The confidentiality of the matter be reviewed in December 2021.
3. 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 received.

Minute 8 - Item 10.1 – Presentation - Corporate Climate Change Risk Assessment [AC]

Confidentiality Order

In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 10.1 [Confidential Presentation – Corporate Climate Change Risk Assessment] listed on the Agenda for the meeting of the Audit Committee held on 7 August 2020 was received, discussed and considered in confidence pursuant to Section 90 (3) (b) & (d) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee, do order that:

1. The discussion and the Minutes of the meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2027.
2. The confidentiality of the matter be reviewed in December 2021.
3. 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 received.

Minute 9 - Item 11.1 - Corporate Climate Change Risk Assessment [AC]

Confidentiality Order

In accordance with Section 91(7) & (9) of the *Local Government Act 1999* and on the grounds that Item 11.1 [Corporate Climate Change Risk Assessment] listed on the Agenda for the meeting of the Audit Committee held on 7 August 2020 was received, discussed and considered in confidence pursuant to Section 90(3)(b) and (d) of the *Local Government Act 1999*, this meeting of the Audit Committee, do order that:

1. 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 31 December 2027.
2. The confidentiality of the matter be reviewed in December 2021.
3. The Chief Executive Officer be delegated 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.

Minute 10 - Item 11.2 – Provision of External Audit Services [AC]

Resolution & Confidentiality Order

THAT THE AUDIT COMMITTEE

1. Notes the report.
2. The report is provided to the next meeting of the Council as part of the confidential report of Audit Committee meeting.
3. In accordance with Section 91(7) & (9) of the *Local Government Act 1999* and on the grounds that Item 11.3 [Update on Activities of the Strategic Risk and Internal Audit Group Meetings] listed on the Agenda for the meeting of the Audit Committee held on 7 August 2020 was received, discussed and considered in confidence pursuant to Section 90(3)(i) of the *Local Government Act 1999*, 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 31 December 2027.
- 3.3 The confidentiality of the matter be reviewed in December 2021.
- 3.4 The Chief Executive Officer be delegated 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.

Minute 11 - Item 11.3 - Update on Activities of the Strategic Risk and Internal Audit Group Meetings [AC]

Resolution & Confidentiality Order

THAT THE AUDIT COMMITTEE

1. Notes the report.
2. The report is provided to the next meeting of the Council as part of the confidential report of Audit Committee meeting.
3. In accordance with Section 91(7) & (9) of the *Local Government Act 1999* and on the grounds that Item 11.3 [Update on Activities of the Strategic Risk and Internal Audit Group Meetings] listed on the Agenda for the meeting of the Audit Committee held on 7 August 2020 was received, discussed and considered in confidence pursuant to Section 90(3)(i) of the *Local Government Act 1999*, this meeting of the Audit Committee, do order that:
 - 3.5. The resolution becomes public information and included in the Minutes of the meeting.
 - 3.6. 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 31 December 2027.
 - 3.7. The confidentiality of the matter be reviewed in December 2021.
 - 3.8. The Chief Executive Officer be delegated 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.

Closure

The meeting closed at 10.28 am.

Mr David Powell
Presiding Member
City of Adelaide Audit Committee

Documents Attached:

Nil