



AUDIT COMMITTEE

MINUTES

for the meeting

Friday 6 November 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

Apologies -

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

In Attendance

Mr Mark Goldstone, Chief Executive Officer, City of Adelaide
 Ms Clare Mockler, Deputy CEO and Director Culture, City of Adelaide
 Ms Vanessa Godden, Associate Director Customer & People, City of Adelaide
 Mr Matthew Morrissey, Associate Director Infrastructure, City of Adelaide
 Mr Sonjoy Ghosh, Associate Director Information Management and Acting Associate Director Strategic Finance & Performance, City of Adelaide
 Mr Jean-Pierre Koekemoer, Manager Infrastructure Management & Governance, City of Adelaide
 Mr Matthew Hulmes, Manager Strategy & Insights, City of Adelaide
 Mr Rudi Deco, Manager Governance, City of Adelaide
 Ms Tracy Blaze, Manager Financial Planning & Analysis, City of Adelaide
 Ms Liz Packer, Manager Financial Accounting, City of Adelaide
 Ms Danielle Pedler, Financial Accountant, City of Adelaide
 Ms Nicole Van Berkel, Senior Business Partner, City of Adelaide

Confirmation of Minutes**1. Item 1 - Confirmation of Minutes – 9/10/2020 [AC]**

Moved by Mr Haslam,
 Seconded by Ms Davies –

That the Minutes of the meeting of the Audit Committee held on 9 October 2020 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

Presentation

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

Presenters:

Ms Vanessa Godden and Mr Matthew Hulmes

Precis of topic:

Utilising the PowerPoint presentation which was provided within the Agenda, the Audit Committee was provided with an update in relation to service demand management and the approach to measuring organisational performance.

During the presentation the Lord Mayor entered the Colonel Light Room at 8.40 am.

Reports

3. Item 5.1 - Audit Committee Performance [2019/02483] [AC]

Discussion ensued.

It was then –

Moved by Ms Davies,

Seconded by Mr Haslam –

THAT THE AUDIT COMMITTEE

1. Reviews the results of the Audit Committee Self-Performance Evaluation outlined in the report to Item 5.1 on the Agenda of the City of Adelaide Audit Committee held on 6 November 2020.

Carried

4. Item 5.2 - Capitalisation Process [2020/01521] [AC]

Mr Jean-Pierre Koekemoer provided an overview of the report

Discussion ensued during which Mr Jean-Pierre Koekemoer, Mr Mark Goldstone, Mr Matthew Morrissey, Ms Danielle Pedler, Ms Nicole Van Berkel and Mr Sonjoy Ghosh responded to questions.

It was then –

Moved by the Lord Mayor,

Seconded by Ms Davies –

THAT THE AUDIT COMMITTEE

1. Notes the report.
2. Notes the improvements to the capitalisation process already made and supports the further improvements noted in the report.
3. Notes the Chief Executive Officer will implement the recommended KPI's regarding financial capitalisation and financial reporting as listed in Item 5.2 on the Agenda for the meeting of the Audit Committee held on 6 November 2020 and the changes suggested by the Audit Committee as follows:
 - 3.1 Remove excluding major projects from KPI reference 14.2
4. Requests an update at the first meeting in 2021 on the status of the improvements and progress on KPIs.

Carried

5. Item 5.3 - 2020-2021 Quarter 1 Finance Report [2020/00150] [AC]

Mr Sonjoy Ghosh provided an overview of the report.

Discussion ensued during which Mr Sonjoy Ghosh, Mr Mark Goldstone, Ms Clare Mockler and Ms Tracy Blaze responded to questions.

It was then –

Moved by Mr Haslam,
Seconded by Ms Davies –

THAT THE AUDIT COMMITTEE RECOMMENDS TO COUNCIL

That Council:

1. Adopts the 2020-21 Quarter 1 Finance Report, including the proposed 2020-21 Quarter 1 Revised Forecast as summarised in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit Committee held on 6 November 2020.
2. Notes the 2020-21 Quarter 1 Finance Report includes adjustments of (\$0.85) million of increased operating costs and (\$1.5) million of increased borrowings as a result of Council decisions in Quarter 1.
3. Notes the updated Long Term Financial Plan, shown in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit Committee held on 6 November 2020.
4. Notes that exceeding the budget deficit of the year is not considered financially prudent.
5. Notes that the savings identified in quarter 1 appear to be timing differences and the Audit Committee recommends opportunities to find savings in the next 3 quarters.

Carried

Ms Davies left the Colonel Light Room at 9.57 am.

Emerging Key Risks

Nil

Independent Member Discussion

Nil

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 Appointment of External Auditor [s 90(3) (k)]

Order to Exclude for Item 10.1

Moved by Mr Haslam,
Seconded by the Lord Mayor –

THAT THE AUDIT COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (k) and section 90(2) & (7) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit Committee dated 6 November 2020 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 10.1 [Appointment of External Auditor] listed on the Agenda.

Grounds and Basis

The confidential information in this Report contains information that could prejudice the commercial position of the Council in respect of its procurement process. Information released prior could compromise the outcome of the process.

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 section 90(2) of the Act this meeting of the Audit Committee dated 6 November 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 [Appointment of External Auditor] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (k) of the Act.

Carried

There were no members of the public present. Members Corporation staff present not directly involved with Item 10.1 left the Colonel Light Room at 9.58 am.

Confidential Item 10.1

Appointment of External Auditor

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

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The Colonel Light Room re-opened to the public at 10.15 am.

Confidentiality Order

Minute 7 - Item 10.1 – Appointment of External Auditor [AC]

Confidentiality Order

In accordance with Section 91(7) and (9) of the *Local Government Act 1999 (SA)* (the Act) and on the grounds that Item 10.1 [Appointment of External Auditor] listed on the Agenda for the meeting of the Audit Committee held on 6 November 2020 was received, discussed and considered in confidence pursuant to Section 90(3)(k) of the Act, this meeting of the Audit Committee, do order that:

1. The resolution, the report, the discussions 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 the authority to review and revoke all or part of the order herein and is directed to present a report containing the item for which the confidentiality order has been revoked.

Closure

The meeting closed at 10.15 am.

Mr David Powell
Presiding Member
City of Adelaide Audit Committee