



AUDIT COMMITTEE

MINUTES

for the meeting

Friday 30 April 2021

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 Hyde

Apologies –

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

In Attendance

Mr Klinton Devenish, Acting Chief Executive Officer, City of Adelaide
 Ms Grace Pelle, Manager Finance & Procurement, City of Adelaide
 Mr Matthew Morrissey, Associate Director Infrastructure, City of Adelaide
 Mr Matthew Hulmes, Manager Strategy & Insights, City of Adelaide
 Mr Justin Jamieson, Partner, KPMG
 Ms Dina Shehada, Manager Enterprise Advisory, KPMG

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 – 19/3/2021 [AC]**

Moved by Mr Haslam,
 Seconded by Councillor Hyde –

That the Minutes of the meeting of the Audit Committee held on 19 March 2021 be taken as read and be confirmed as an accurate record of proceedings.

Carried

Presiding Member Reports

Nil

Reports

2. Item 4.1 - 2020-2021 Quarter 3 Finance Report [2020/00150] [AC]

Ms Grace Pelle provided an overview of the report and responded to questions.

It was then –

Moved by Mr Haslam,
Seconded by Councillor Hyde –

THAT THE AUDIT COMMITTEE RECOMMENDS TO COUNCIL

That Council

1. Adopts the 2020-21 Quarter 3 Finance Report, including the proposed 2020-21 Quarter 3 Revised Forecast as summarised in Attachment A to Item 4.1 on the Agenda for the meeting of the Audit Committee held on 30 April 2021.
2. Notes the 2020-21 Quarter 3 Finance Report includes additional adjustments requested by Council resulting in additional spend of \$0.195m and the removal of East-West Bikeway of \$5.6m. The additional spend has been offset by other savings and increased income adjustments put forward.
3. Notes the draft 2021-22 to 2030-31 Long Term Financial Plan (LTFP) is currently being consulted on with our community from the 16 April 2021 to 31 May 2021. The impacts of the Quarter 3 Revised Forecast on our LTFP will be updated for the final adoption of the LTFP in July 2021.

Carried

3. Item 4.2 - Draft 2021-2022 Business Plan & Budget and Long Term Financial Plan Update [2020/01920] [AC]

Ms Grace Pelle provided an overview of the report.

Discussion ensued during which:

- Ms Grace Pelle responded to questions
- The Lord Mayor entered the Colonel Light Room at 8.47 am.

It was then –

Moved by Mr Haslam,
Seconded by the Lord Mayor –

THAT THE AUDIT COMMITTEE

1. Notes the report.

Carried

4. Item 4.3 - Internal Audit Progress Update [2020/00774] [AC]

The Presiding Member read an overview of the report.

Discussion ensued.

It was then –

Moved by Mr Haslam,
Seconded by Councillor Hyde –

THAT THE AUDIT COMMITTEE

1. Notes the Internal Audit Progress Update report and requests an update on the Training and Development Internal Audit Report and the Audit Finding Progress Report at the next Audit Committee meeting.

Carried

5. Item 4.4 - Financial Capitalisation Update [2021/00216] [AC]

Mr Matthew Morrissey provided an overview of the report and responded to questions.

It was then –

Moved by Mr Haslam,
Seconded by the Lord Mayor –

THAT THE AUDIT COMMITTEE

- Notes the report.

Carried

Emerging Key Risks

Nil

Independent Member Discussion

Discussion ensued

Other Business

Nil

Exclusion of the Public

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

For the following item seeking consideration in confidence:

- Workshop – Service Contestability [s 90(3) (e)]
- Workshop – Service Planning and Performance: Service Contestability Update and Approach [s 90(3) (e)]
- Activities of the Strategic Risk and Internal Audit Group Meetings [s 90(3) (i)]

Order to Exclude for Item 9.1

Moved by Mr Haslam,
Seconded by the Lord Mayor –

THAT THE AUDIT COMMITTEE

- Having taken into account the relevant consideration contained in section 90(3) (e) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 30 April 2021 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 9.1 [Workshop - Service Contestability] listed on the Agenda.

Grounds and Basis

This item is of a confidential nature as the disclosure of information within this report could reasonably impact the employees of the council where a service and or function that the employees deliver is discussed within the presentation.

- Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit Committee dated 30 April 2021 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 [Workshop – Service Contestability] 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) (e) of the Act.

Carried

Order to Exclude for Item 9.2

Moved by Mr Haslam,
Seconded by the Lord Mayor –

THAT THE AUDIT COMMITTEE

- Having taken into account the relevant consideration contained in section 90(3) (e) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 30 April 2021 resolves that

it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 9.2 [Service Planning and Performance Workshop: Service Contestability Update and Approach] listed on the Agenda.

Grounds and Basis

This item is of a confidential nature as the disclosure of information within this report could reasonably impact the employees of the council where a service and or function that the employees deliver is discussed within the presentation.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit Committee dated 30 April 2021 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 9.2 [Service Planning and Performance Workshop: Service Contestability Update and Approach] 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) (e) of the Act.

Carried

Order to Exclude for Item 9.3

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) (i) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee dated 30 April 2021 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 9.3 [Activities of the Strategic Risk and Internal Audit Group Meetings] listed on the Agenda.

Grounds and Basis

This Item is of a 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 section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit Committee dated 30 April 2021 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 9.3 [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 section 90(3) (i) of the Act.

Carried

Members of Corporation staff present not directly involved with Items 9.1, 9.2 and 9.3 left the Colonel Light Room at 9.28 am.

Confidential Item 9.1

Workshop – Service Contestability
Section 90 (3) (e) of the *Local Government Act 1999 (SA)*
Pages 5 to 15

Confidential Item 9.2

Service Planning and Performance: Service Contestability Update and Approach
Section 90 (3) (e) of the *Local Government Act 1999 (SA)*
Page 16

Confidential Item 9.3

Activities of the Strategic Risk and Internal Audit Group Meetings
Section 90 (3) (i) of the *Local Government Act 1999 (SA)*
Pages 16 to 17

The Colonel Light Room re-opened to the public at 10.21 am.

Confidentiality Orders

Minute 7 - Item 9.1 - Service Contestability [AC]

Confidentiality Order

THAT THE AUDIT COMMITTEE

In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 9.1 [Workshop – Service Contestability] listed on the Agenda for the meeting of the Audit Committee held on 30 April 2021 was received, discussed and considered in confidence pursuant to Section 90(3)(e) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee, do order that:

1. The resolution, 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 2028.
2. The confidentiality of this matter be reviewed in December 2022.
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 8 - Item 9.2 - Service Planning and Performance: Service Contestability Update and Approach [AC]

Confidentiality Order

THAT THE AUDIT COMMITTEE

In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 9.2 [Workshop – Service Planning and Performance: Service Contestability Update and Approach] listed on the Agenda for the meeting of the Audit Committee held on 30 April 2021 was received, discussed and considered in confidence pursuant to Section 90(3)(e) of the *Local Government Act 1999 (SA)*, this meeting of the Audit Committee, do order that:

1. The resolution, 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 2028.
2. The confidentiality of this matter be reviewed in December 2022.
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 9 - Item 9.2 – Activities of the Strategic Risk and Internal Audit Group Meetings [AC]

Resolution & Confidentiality Order

THAT THE AUDIT COMMITTEE

1. Notes the report is provided to the next meeting of the Council as part of the confidential report of Audit Committee meeting.
2. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 9.3 [Activities of the Strategic Risk and Internal Audit Group] listed on the Agenda for the meeting of the Audit Committee held on 30 April 2021 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:
 - 2.1 The resolution become public information and included in the Minutes of the meeting.
 - 2.2 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 2028.
 - 2.3 The confidentiality of this matter be reviewed in December 2022.
 - 2.4 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.

Closure

The meeting closed at 10.21 am.

Mr David Powell
Presiding Member
City of Adelaide Audit Committee

Documents Attached:

Nil