



AUDIT AND RISK COMMITTEE

MINUTES

for the meeting

Friday 29 October 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]
	Ms Paula Davies
	Councillor Alexander Hyde
	Mr John Oliver
	Mr Simon Rodger

Apologies -

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

Acknowledgement of Country

The Presiding Member stated:

'The Audit and Risk Committee 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 Report

The Presiding Member welcomed the two new independent Audit and Risk Committee members, Mr John Oliver and Mr Simon Rodger.

Councillor Hyde entered the Colonel Light Room at 8.31 am.

Confirmation of Minutes**1. Item 2 - Confirmation of Minutes – 8/10/2021 [ARC]**

Moved by Ms Davies,
Seconded by the Lord Mayor –

That the Minutes of the meeting of the City of Adelaide Audit Committee held on 8 October 2021 be taken as read and be confirmed as an accurate record of proceedings.

Carried

Presentation**2. Item 4.1 - Presentation - Climate Change Risk Adaptation Action Plan 2021-2026 [2019/01119] [ARC]**

Presenter:

Dr Mark Siebentritt, Edge Consulting
Mr Tom McCready, Acting Director City Shaping, City of Adelaide

Precis of topic:

Utilising the PowerPoint presentation published in the Agenda, Mr Tom McCready and Dr Mark Siebentritt addressed the Committee members to provide an overview of the development of the Climate Change Risk Adaptation Action Plan.

Discussion ensued during which Mr Tom McCready and Dr Mark Siebentritt responded to questions.

The Presiding Member advised the meeting that as Dr Mark Siebentritt was present Item 5.1 would be considered prior to Item 4.2.

Report

3. Item 5.1 - Draft Climate Change Risk Adaptation Action Plan [2021/150263] [ARC]

Mr Tom McCready provided an overview of the report.

Discussion ensued during which Mr Tom McCready, Mr Klinton Devenish, Director Services, Infrastructure & Operations, City of Adelaide and Ms Tanya Roe, Senior Sustainability Advisor, City of Adelaide responded to questions.

It was then –

Moved by Councillor Hyde,
Seconded by Ms Davies –

THAT THE AUDIT AND RISK COMMITTEE

- Notes the draft Climate Change Risk Adaptation Action Plan 2021-2026, which enables the City of Adelaide to meet its strategic objectives and transition to become a climate ready organisation.

Carried

The Presiding Member thanked Dr Mark Siebentritt.

Presentation

4. Item 4.2 - Presentation – Future Fund & Investment Policy [2021/00122] [ARC]

Presenter:

Ms Grace Pelle, Manager Finance & Procurement, City of Adelaide

Precis of topic:

Utilising the PowerPoint presentation published in the Agenda, Ms Grace Pelle addressed the Committee in relation to proposed updates to the policy structure and the development of the new Future Fund & Investment Policy.

Discussion ensued during which Ms Grace Pelle, Mr Tom McCready and Ms Clare Mocker, Chief Executive Officer, City of Adelaide, responded to questions.

Reports

5. Item 5.2 - Q1 2021-22 Consultants Report [2021/00122] [ARC]

Ms Grace Pelle provided an overview of the report.

Discussion ensued during which Ms Grace Pelle, Ms Clare Mockler and Ms Amanda McIlroy, Chief Operating Officer Corporate Services, City of Adelaide responded to questions.

It was then –

Moved by Mr Oliver,
Seconded by Mr Rodger –

THAT THE AUDIT AND RISK COMMITTEE

- Receives the quarterly consultants report per Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 29 October 2021.

Carried

6. Item 5.3 - 2021-2022 Quarter 1 Finance Report [2021/00122] [ARC]

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

It was then –

Moved by Ms Davies,

Seconded by Councillor Hyde –

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the First Budget Review for 2021/22 incorporating the Uniform Presentation of Finances as presented in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 29 October 2021, noting that the revised budget consists of:
 - 1.1. Total estimated operating income of \$203.689 million
 - 1.2. Total estimated operating expenditure (including depreciation) of \$203.651 million
 - 1.3. An operating surplus of \$37,000
 - 1.4. Capital expenditure of \$81.413 million
 - 1.5. Grant funding to support capital expenditure on new/upgraded assets of \$1.5 million
 - 1.6. Council's borrowings (debt) ceiling of \$57.7 million
 - 1.7. Offsets across both expenditure and revenue totalling \$1.45 million towards the \$4.75 million savings target.
2. Notes additional operating expenditure for budget reconsideration for representation review process considerations for \$20,000 on the 13 July 2021, that has been included in the revised budget figures in part 1 herein.
3. Notes additional capital funding for budget reconsideration MacKinnon Parade pedestrian refuge for \$40,000 on the 13 July 2021, that has been included in the revised capital expenditure budget figures in part 1 herein.
4. Notes additional operating expenditure for budget reconsideration Adelaide Zero Project Partnership for \$183,000 (\$140,000 in 2021/22) on the 14 September 2021, that has been included in the revised budget figures in part 1 herein.
5. Notes an additional net operating impact for budget consideration Reignite the City for \$1.340 million (\$200,000 of funding for identified support initiatives and support for an estimated \$1.14m in foregone revenue) on the 10 August 2021, that has been included in the revised budget figures in part 1 herein.
6. Notes the ongoing commitment to maintain a surplus operating result, and the short-term nature of these budget amendments have been achievable only due to favourable timing impacts and the receipt of grants.

Carried

7. Item 5.4 - Internal Audit Progress Update [2021/00982] [ARC]

Mr Mick Petrovski, Manager Governance, City of Adelaide provided an overview of the report.

Discussion ensued during which:

- Ms Annette Pianezzola, Risk and Audit Analyst, City of Adelaide responded to questions.
- The Lord Mayor left the Colonel Light Room at 10.24 am.

It was then –

Moved by Mr Rodger,

Seconded by Councillor Hyde –

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Internal Audit Progress Update report.

Carried

Emerging Key Risks

Nil

Independent Member Discussion

Nil

Other Business

Nil

Exclusion of the Public

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

For the following item seeking consideration in confidence:

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

Order to Exclude for Item 10.1

Moved by Councillor Hyde,
Seconded by Ms Davies –

THAT THE AUDIT AND RISK 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 and Risk Committee dated 29 October 2021 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 10.1 [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 and Risk 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 and Risk Committee dated 29 October 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 10.1 [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

There were no members of the public present. Members of Corporation staff present not directly involved with Item 10.1 left the Colonel Light Room at 10.27 am.

Confidential Item 10.1

Activities of the Strategic Risk and Internal Audit Group Meetings

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

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The Colonel Light Room re-opened to the public at 10.38 am.

Confidentiality Order

Minute 9 - Item 10.1 – Activities of the Strategic Risk and Internal Audit Group Meetings [ARC]

Resolution & Confidentiality Order

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the report is provided to the next meeting of the Council as part of the confidential report of the Audit and Risk Committee meeting.
2. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 10.1 listed on the Agenda for the meeting of the Audit and Risk Committee held on 29 October 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 and Risk 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 10.38 am.

Mr David Powell
Presiding Member
City of Adelaide Audit and Risk Committee

Documents Attached:

Nil