



# AUDIT AND RISK COMMITTEE

## MINUTES

for the meeting

Friday 4 February 2022

in the Colonel Light Room,  
Adelaide Town Hall



**Present -**

<b>Presiding Member</b>	David Powell
<b>Deputy Presiding Member</b>	Ross Haslam
<b>Members</b>	The Right Honourable the Lord Mayor [Sandy Verschoor] Paula Davies John Oliver Simon Rodger 1 vacant position
<b>Proxy Member</b>	Councillor Mary Couros [proxy for vacant position].

**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 Report**

The Presiding Member advised the meeting that Councillor Alexander Hyde had resigned from the Audit and Risk Committee and expressed appreciation for Councillor Hyde's work. The Presiding Member welcomed Councillor Mary Couros who was in attendance as the proxy member for Councillor Hyde's position.

**Confirmation of Minutes****1. Item 2 - Confirmation of Minutes – 29/10/2021 [ARC]**

Moved by Paula Davies

Seconded by Simon Rodger –

That the Minutes of the meeting of the Audit and Risk Committee held on 29 October 2021 be taken as read and be confirmed as an accurate record of proceedings.

Carried

The Presiding Member advised that Item 5.1 would be considered prior to Item 4.1.

**Reports****2. Item 5.1 - AEDA Update and Rundle Mall Program Performance Review [2020/01894] [ARC]**

Ian Hill, Managing Director, Adelaide Economic Development Agency provided an overview of the report. Ian Hill and Clare Mockler, Chief Executive Officer, City of Adelaide responded to questions.

It was then –

Moved by Simon Rodger,

Seconded by John Oliver –

**THAT THE AUDIT AND RISK COMMITTEE**

- Notes the Rundle Mall Program Performance Review as shown in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 4 February 2022.

Carried

## Presentations

### 3. Item 4.1 - Presentation – Planning and Performance [2020/00150] [ARC]

Presenters:

Caitlin Rilstone, Team Leader Insights and Performance, City of Adelaide  
Bree Goodchild, Manager Strategy, Insights and Performance, City of Adelaide

Precis of topic:

Utilising the PowerPoint presentation published in the Agenda, the Audit and Risk Committee was provided with an update in relation to planning and performance.

Discussion ensued during which Caitlin Rilstone, Bree Goodchild, Clare Mockler and Amanda McIlroy, Chief Operating Officer Corporate Services, City of Adelaide, responded to questions.

### 4. Item 4.2 - Presentation – 2022 – 2023 Business Plan and Budget [2021/00122] [ARC]

Discussion facilitator:

Piero Sparapani, Team Leader Financial Planning and Reporting, City of Adelaide

Precis of topic:

Utilising the PowerPoint presentation published in the Agenda, the Audit and Risk Committee was provided with an overview of the 2022 -2023 Business Plan and Budget process.

Discussion ensued during which Piero Sparapani, Clare Mockler and Nicole Van Berkel, Corporate Accountant, City of Adelaide, responded to questions.

## Reports

### 5. Item 5.2 - 2021-22 End of Year Financial Reporting Process & Proposed Timetable [2021/00122] [ARC]

Discussion ensued during which Piero Sparapino, Nicole Van Berkel and Amanda McIlroy responded to questions.

During the discussion the Lord Mayor left the meeting at 9.24 am.

With the consent of the meeting the Presiding Member advised that a motion would be considered in relation to Item 4.2 – 2022 – 2023 Business Plan and Budget.

### 6. Item 4.2 – 2022 – 2023 Business Plan and Budget [2021/00122] [ARC]

Discussion ensued

It was then -

Moved by Paula Davies,  
Seconded by John Oliver -

#### THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

#### That Council

1. Reassess the valuation methodology report from 2017 to include reviewing all the options available in relation to valuations for the purposes of future rate determinations.

Carried

### 7. Item 5.2 - 2021-22 End of Year Financial Reporting Process & Proposed Timetable [2021/00122] [ARC] (cont.)

It was then –

Moved by Simon Rodger,  
Seconded by Councillor Mary Couros –

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

That Council

1. Approves the proposed 2021-22 End of Year Financial Reporting process and external audit timetable as contained in Attachment C to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 February 2022.
2. Notes the endorsement by the Audit and Risk Committee of the external audit plan as contained in Attachment C to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 February 2022, is consistent with the scope of the External Audit engagement and relevant legislation and standards.
3. Notes the external auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2022 as detailed in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 February 2022.
4. Approves the External Audit terms of engagement as contained in Attachments A and B to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 February 2022.

Carried

**8. Item 5.3 - Quarter 2 Finance Report [2021/00122] [ARC]**

Discussion ensued during which Piero Sparapino, Clare Mockler and Amanda McIlroy responded to questions.

It was then –

Moved by John Oliver,

Seconded by Simon Rodger –

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Second 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 Audit and Risk Committee held on 8 February 2022, noting that the revised budget consists of:
  - 1.1. Total estimated operating income of \$204.269 million.
  - 1.2. Total estimated operating expenditure (including depreciation) of \$204.233 million.
  - 1.3. An operating surplus of \$37,000.
  - 1.4. Capital expenditure of \$65.9 million.
  - 1.5. Grant funding to support capital expenditure on new/upgraded assets of \$9.2 million.
  - 1.6. Council's borrowings (debt) ceiling of \$37.0 million.
  - 1.7. Offsets across both expenditure and revenue totalling \$3.226 million towards the \$4.75 million savings target.
2. Notes revised budget in Part 1 herein included \$348,000 in the 2021/22 budget for maintenance and refurbishment on underperforming property assets identified for sale from the Council meeting held on 9 November 2021.

Carried

**9. Item 5.4 - Q2 2021 – 22 Consultants Report [2021/00122] [ARC]**

Discussion ensued during which Piero Sparapino and Amanda McIlroy responded to questions.

It was then –

Moved by John Oliver,

Seconded by Simon Rodger –

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the quarterly consultants report per Attachment A to Item 5.4 on the Agenda for the meeting of the Audit and Risk Committee held on 4 February 2022.

Carried

**10. Item 5.5 - 2022 Audit and Risk Committee Meeting Schedule and Work Plan [2019/02483] [ARC]**

Discussion ensued

It was then –

Moved by Paula Davies,  
Seconded by Simon Rodger –

**THAT THE AUDIT AND RISK COMMITTEE**

1. Adopts the following meeting schedule for the Audit and Risk Committee to be held in the Colonel Light Room, Town Hall, Adelaide at 8.30am on:
  - 1.1. Friday 25 March 2022
  - 1.2. Friday 29 April 2022
  - 1.3. Friday 17 June 2022
  - 1.4. Friday 29 July 2022
  - 1.5. Friday 30 September 2022
  - 1.6. Friday 28 October 2022
  - 1.7. Friday 3 February 2023
2. Approves the forward 2022 Work Plan as included in Attachment A to Item 5.5 on the Agenda for the meeting of the Audit and Risk Committee held on 4 February 2022 to assist the Administration in bringing forward reports as appropriate.

Carried

**11. Item 5.6 - Internal Audit Progress Update [2021/00982] [ARC]**

Mick Petrovski, Manager Governance, City of Adelaide provided an overview of the report. Mick Petrovski and Amanda McIlroy responded to questions.

It was then –

Moved by Simon Rodger,  
Seconded by Paula Davies –

**THAT THE AUDIT AND RISK COMMITTEE**

1. Notes the report.

Carried

**Emerging Key Risks**

Nil

**Independent Member Discussion**

Nil

**Other Business**

Nil

**Exclusion of the Public****12. Item 9.1 - Exclusion of the Public to Consider [2018/04291] [TC]:**

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 9.1

Moved by Paula Davies,  
Seconded by Councillor Mary Couros –

#### 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 4 February 2022 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 4 February 2022 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 not directly involved with Item 10.1 left the Colonel Light Room at 10.00 am.

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## 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 10.12 am.

**Confidentiality Order**

**Minute 13 - 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 4 February 2022 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 2029.
  - 2.3. The confidentiality of this matter be reviewed in December 2023.
  - 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 10.12 am.

David Powell  
Presiding Member  
City of Adelaide Audit and Risk Committee

Documents Attached:

Nil