

Audit Committee Report – 7 February 2020

ITEM 9.2 11/02/2020
Council

2018/04062
Public

Program Contact:
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Approving Officer:
Mark Goldstone, Chief Executive
Officer

EXECUTIVE SUMMARY:

The Audit Committee plays a critical role supporting the Council and Chief Executive Officer in the financial reporting framework of Council, by overseeing and monitoring the participation of management and external auditors in the financial reporting process. It also addresses issues such as the approach being adopted by Council and management to address business risks, corporate and financial governance responsibilities and legal compliance.

The Audit Committee met on Friday, 7 February 2020 and is required to report to Council after every meeting to identify and present advice and recommendations.

A precis of the matters considered by the Audit Committee is presented within this report.

The Recommendation below is in response to the deliberation of the Audit Committee on the Audit Committee Terms of Reference.

RECOMMENDATION:

1. **Report of the Audit Committee – 7 February 2020**

THAT COUNCIL

1. Notes the report of the meeting of the Audit Committee held on 7 February 2020.

2. **Audit Committee Terms of Reference**

THAT COUNCIL

1. Adopts the Terms of Reference as included in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit Committee held on 7 February 2020.
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DISCUSSION

1. The Audit Committee met on Friday, 7 February 2020. The agenda with reports for the public component of the meeting can be viewed [here](#) and Item 4.4 – Workshop – Long Term Financial Plan, distributed separately can be viewed [here](#).
2. The following matters were the subject of deliberations. The Audit Committee resolved as follows for each subject:

2.1. Audit Committee Terms of Reference

THAT THE AUDIT COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL:

1. Adopts the Terms of Reference as included in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit Committee held on 7 February 2020.

2.2. 2020 Audit Committee Meeting Schedule and Work Plan

THAT THE AUDIT COMMITTEE

1. Adopts the following meeting schedule for the City of Adelaide Audit Committee to be held in the Colonel Light Room, Town Hall, Adelaide at 8.30am on:
 - 1.1. Friday 27 March 2020 (finance reports only)
 - 1.2. Friday 1 May 2020
 - 1.3. Friday 19 June 2020
 - 1.4. Friday 7 August 2020
 - 1.5. Friday 2 October 2020 (finance reports only)
 - 1.6. Friday 6 November 2020
 - 1.7. Friday 5 February 2021
2. Approves the forward 2020 Work Plan as included in Attachment A to Item 5.2 on the Agenda for the Meeting of the Audit Committee held on 7 February 2020 to assist the Administration in bringing forward reports as appropriate.

2.3. 2019/20 End of Year Financial Reporting Process & Proposed Timetable

THAT THE AUDIT COMMITTEE

1. Endorses the proposed 2019/20 End of Year Financial Reporting process and external audit timetable as contained in Attachment C to Item 5.4 on the Agenda for the meeting of the Audit Committee held on 7 February 2020.
2. Notes that the external audit plan as contained in Attachment C to Item 5.4 on the Agenda for the meeting of the Audit Committee held on 7 February 2020 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 2020 as detailed in Attachment A to Item 5.4 on the Agenda for the meeting of the Audit Committee held on 7 February 2020.
4. Approves the External Audit terms of engagement as contained in Attachments A and B to Item 5.4 on the Agenda for the meeting of the Audit Committee held on 7 February 2020.

2.4. Internal Audit Progress Update

THAT THE AUDIT COMMITTEE

1. Notes the report.
2. Endorses the deferral of the Software Licence Internal Audit Review to enable an internal audit on Park Lands expenditure.

2.5. Confidential Report - 2019-20 Quarter 2 Commercial Operations Report

Considered, in confidence, pursuant to s 90(3) (b) of the *Local Government Act 1999 (SA)*.

In accordance with Section 91(7) & (9) of the *Local Government Act 1999 (SA)* and because Item 9.1 [2019-20 Quarter 2 Commercial Operations Report] listed on the Agenda for the meeting of the Audit Committee held on 7 February 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 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 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 revoked.

2.6. Confidential Report - Update on Activities of the Strategic Risk and Internal Audit Group Meetings

Considered, in confidence, pursuant to s 90(3) (i) of the *Local Government Act 1999 (SA)*.

THAT THE AUDIT COMMITTEE

1. Receives and notes the report.
2. Notes the report will be provided to the next meeting of the Council as part of the confidential report of the Audit Committee meeting.
3. In accordance with Section 91(7) & (9) of the *Local Government Act 1999* and on the grounds that Item 9.1 listed on the Agenda for the meeting of the Audit Committee held on 19 July 2019 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 2026.
 - 3.3. The confidentiality of the matter be reviewed in December 2020.
 - 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.

- END OF REPORT -