



AUDIT AND RISK COMMITTEE MINUTES

for the meeting

Friday, 27 September 2024

in the Colonel Light Room, Adelaide Town Hall

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Present:

Presiding Member	Nicolle Rantanen Reynolds
Committee Members	Mark Davies
	Paula Davies
	Simon Rodger
	Councillor Phillip Martin (Proxy for Councillor Jing Li)

1 Acknowledgement of Country

The Presiding Member read the Acknowledgement of Country in Kurna language

The Presiding Member then stated:

‘Council acknowledges that we are meeting on traditional Country of the Kurna 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 Kurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.’

2 Apologies and Leave of Absence

Apology:

Councillor Jing Li (Councillor Martin in attendance as proxy)

On Leave:

The Right Honourable the Lord Mayor, Jane Lomax-Smith (ex-officio)

Simon Rodger entered the Colonel Light Room at 8.32 am.

3 Confirmation of Minutes

Moved by Mark Davies,
Seconded by Paula Davies -

That the Minutes of the meeting of the Audit and Risk Committee held on 14 June 2024 and the Minutes of the Special meeting of the Audit and Risk Committee held on 9 August 2024, be taken as read and be confirmed as an accurate record of proceedings.

Carried

4 Declaration of Conflict of Interest

Nil

5 Presiding Member Reports

Nil

6 Exclusion of the Public

Moved by Paula Davies,
Seconded by Simon Rodger -

ORDER TO EXCLUDE FOR ITEM 7.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (b) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 27 September 2024 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 7.1 [Confidential Meeting with External Auditors] listed on the Agenda.

Grounds and Basis

This Item is confidential in nature because the report includes information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council, and would, on balance, be contrary to the public interest.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 27 September 2024 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 7.1 [Confidential Meeting with External Auditors] 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) (b) of the Act.

Carried

Members of the public and all Corporation staff left the Colonel Light Room at 8.36 am.

- 7 Confidential Item**
- 7.1 Confidential Meeting with External Auditors [S90(3) (b)]**

Confidentiality Order

Item 7.1 - Confidential Meeting with External Auditors

Resolution & Confidentiality Order

THAT THE AUDIT AND RISK COMMITTEE

1. Receives a verbal report from Council's external auditors, BDO at the Audit and Risk Committee Meeting on 27 September 2024.
2. In accordance with Section 91(7) & (9) of the *Local Government Act 1999 (SA)* (the Act) and because Item 7.1 [Confidential Meeting with External Auditors] listed on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024 was received, discussed and considered in confidence pursuant to Section 90(3)(b) of the Act, this meeting of the Audit and Risk Committee do order that:
 - 2.1. The resolution and report become public information and included in the Minutes of the meeting.
 - 2.2. 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 2030.
 - 2.3. The confidentiality of the matter be reviewed in December 2025.
 - 2.4. 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.

6 Exclusion of the Public

Moved by Paula Davies,
Seconded by Simon Rodger -

ORDER TO EXCLUDE FOR ITEM 7.2

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (b) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 27 September 2024 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 7.2 [Confidential Meeting with Internal Auditors] listed on the Agenda.

Grounds and Basis

This Item is confidential in nature because the report includes information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council, and would, on balance, be contrary to the public interest.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 27 September 2024 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 7.2 [Confidential Meeting with Internal Auditors] 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) (b) of the Act.

Carried

There were no members of the public or Corporation staff present to leave the meeting.

7.2 Confidential Meeting with Internal Auditors [S90(3) (b)]

The meeting re-opened to the public at 8.59 am.

Confidentiality Order

Item 7.2 - Confidential Meeting with Internal Auditors

Resolution & Confidentiality Order

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the verbal report, in confidence from Council's Internal Auditors, KPMG.
2. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 7.2 [Confidential Meeting with Internal Auditors] listed on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024 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 and Risk Committee, do order that:
 - 2.1. The resolution and report become public information and are included in the Minutes of the meeting.
 - 2.2. The discussion and the Minutes of the meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2031.
 - 2.3. The confidentiality of the matter be reviewed by 31 December 2024.
 - 2.4. The Chief Executive Officer or delegate 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 received.

8 Reports

8.1 2024/25 LTFP update - draft for public consultation

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Mark Davies -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes Audit and Risk Committee feedback on the Draft 2024/2025 – 2033/34 Long Term Financial Plan document set out in Attachment A to Item 8.1 on the Agenda for the meeting of the Audit and Risk Committee on 27 September 2024:
 - 1.1. Asset Renewal Funding Ratio (Table 3 on page 20 of the Agenda) – ensure there is an explanation that table is showing how 100% will be achieved.
 - 1.2. Key Financial Indicators – Borrowings section (Table 6 on page 22 of the Agenda) – explanation required to clarify what the numbers are in this section of the table.
 - 1.3. Asset Renewal Repair Fund (page 36 of Agenda) – wording should be revised to ensure clarity on what the fund's purpose is.
2. Notes Audit and Risk Committee feedback on the Draft 2024/25 CEO Sustainability Report set out in Attachment B to Item 8.1 on the Agenda for the meeting of the Audit and Risk Committee on 27 September 2024.

Carried

COO Undertaking – Future Fund

In response to the meeting an undertaking was given to provide the Audit and Risk Committee with the opportunity to discuss and receive updates on the Future Fund.

8.2 City of Adelaide Draft Annual Report 2023/24

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Paula Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the draft City of Adelaide Annual Report 2023/24 as contained in Attachment A to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024.
2. Notes the draft Adelaide Central Market Authority Annual Report 2023/24 as contained in Attachment B to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024.
3. Notes the draft Adelaide Economic Development Agency Annual Report 2023/24 as contained in Attachment C to Item b on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024.
4. Notes the draft Kadaltilla / Adelaide Park Lands Authority Annual Report 2023/24 as contained in Attachment D to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024.
5. Notes the draft Brown Hill and Keswick Creek Stormwater Board Annual Report 2023/24 as contained in Attachment E to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024.
6. Notes that the Chief Executive Officer or delegate can make minor or technical amendments to the City of Adelaide Annual Report 2023/24 as contained in Attachment A to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024.

Carried

8.3 Audited Financial Statements & Report on Financial Results

Discussion ensued.

Leave of the meeting was sought and granted to consider Item 8.4 prior to Item 8.3.

8.4 Matters arising from External Audit

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Councillor Martin -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the 'City of Adelaide Annual Completion Report for the year ended 30 June 2024' from Council's external auditors, BDO, contained in Attachment A to Item 8.4 on the Agenda for the meeting of the Audit and Risk Committee held 27 September 2024.

Carried

8.3 Audited Financial Statements & Report on Financial Results

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCILTHAT COUNCIL

1. Considers that the Consolidated Financial Statements present fairly the financial position of the City of Adelaide, having reviewed the Consolidated Financial Statements for the year ended 30 June 2024, contained in Attachment A to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024.
2. Receives the City of Adelaide's Consolidated Financial Statements for the year ended 30 June 2024, contained in Attachment A to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024, subject to minor administrative changes and subsequent balance date event adjustments, to be certified by the Chief Executive Officer and the Lord Mayor.
3. Considers it is appropriate that the representation letter requested by the external auditor, contained in Attachment B to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024, is signed by management.
4. Notes the Certification of Auditor Independence contained in Attachment C to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024 is considered by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
5. Notes that the Chief Executive Officer and the Lord Mayor will certify the Annual Financial Statements in their final form as per the Council decision on 27 August 2024.
6. Notes the Adelaide Central Market Authority Financial Statements for the year ended 30 June 2024, contained in Attachment D to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024, have been reviewed by the Adelaide Central Market Authority Board at its meeting on 5 September 2024. These financial results are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 6.1. Considers the Financial Statements for the year ended 30 June 2024 present fairly the financial position of the Adelaide Central Market Authority.
 - 6.2. Notes the Certification of Auditor Independence in relation to Adelaide Central Market Authority, contained in Attachment E to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024 is to be signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
 - 6.3. Notes the representation letter requested by the external auditor of the Adelaide Central Market Authority, contained in Attachment F to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024, is signed by management.
7. Notes the Adelaide Economic Development Agency Financial Statements for the year ended 30 June 2024, contained in Attachment G to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024, have been reviewed by the Adelaide Economic Development Agency Board at its meeting on 19 September 2024. These financial results are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 7.1. Considers the Financial Statements for the year ended 30 June 2024 present fairly the financial position of the Adelaide Economic Development Agency.
 - 7.2. Notes the Certification of Auditor Independence in relation to Adelaide Economic Development Agency, contained in Attachment H to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024 is to be signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
 - 7.3. Notes the representation letter requested by the external auditor of the Adelaide Economic Development Agency, contained in Attachment I to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024, is signed by management.
8. Notes the Kadaltilla / Adelaide Park Lands Authority Financial Statements for the year ended 30 June 2024, contained in Attachment J to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024, are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 8.1. Considers the Financial Statements for the year ended 30 June 2024 present fairly the financial position of the Kadaltilla / Adelaide Park Lands Authority and can be certified by the Lord Mayor as Chair of Adelaide Park Lands Authority.

- 8.2. Considers it is appropriate that the representation letter requested by the external auditor of the Kadaltilla / Adelaide Park Lands Authority, contained in Attachment K to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024, to be signed by management.
- 8.3. Notes the Certification of Auditor Independence in relation to the Kadaltilla / Adelaide Park Lands Authority, contained in Attachment L to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024, and considers it is appropriate to be signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
9. Notes the audited Brown Hill and Keswick Creeks Storm Water Board's Financial Statements for the year ended 30 June 2024 as contained in Attachment M to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024. Council's equity interest of 8% is included in the Consolidated Financial Statements of the City of Adelaide.
10. Recommends the 2023/24 Consolidated Financial Statements of the City of Adelaide, and the Financial Statements of the Adelaide Economic Development Agency, Kadaltilla / Adelaide Park Lands Authority, Adelaide Central Market Authority and Brown Hill and Keswick Creeks Stormwater Board be presented to Council for noting on 22 October 2024 and included in the adopted Annual Report.
11. Notes the 2023/24 Report on the financial results for the City of Adelaide and its subsidiaries, contained in Attachments N, O, P and Q to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024.

Carried

Part 5 of the recommendation was varied out of session with Committee Members, due to an Administrative error in relation to the decision of Council of 27 August 2024 not being reflected in the original recommendation that went before the Committee. For completeness the grey italics text (below) was presented as part of the original recommendation (Part 5).

5. *Authorises the Chief Executive Officer and the Lord Mayor to certify the Annual Financial Statements in their final form.*

8.5 Presiding Member's Annual Report

Discussion ensued

It was then –

Moved by Paula Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the Presiding Member's Annual Report for the 2023/24 financial year as included in Attachment A to Item 8.5 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024.
2. Notes that the Presiding Members Annual Report for 2023/24 financial year as per Attachment A to Item 8.5 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024 will be included in the City of Adelaide's Annual Report as per section 126 (9) of the *Local Government Act 1999* (SA).

Carried

8.6 Integrated Climate Strategy Reporting Framework

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Paula Davies -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the Integrated Climate Strategy Risk and Reporting Framework as contained in Attachment A to Item 8.6 on the Agenda for the Audit and Risk Committee held on 27 September 2024 has been prepared to support the delivery and monitoring of the Integrated Climate Strategy 2030.

Carried

8.7 Climate Change Risk Adaptation Action Plan

Discussion ensued

It was then –

Moved by Paula Davies,
Seconded by Councillor Martin -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the progress of the Climate Change Risk Adaptation Action Plan 2021-2026 as contained in Item 8.7 on the Agenda for the meeting of the Audit and Risk Committee held on 27 September 2024.
2. Notes that the Integrated Climate Strategy 2030 replaces the Climate Change Risk Adaptation Action Plan 2021-2026.
3. Notes that the management of climate risk is transitioned to the Integrated Climate Strategy 2030 and the associated reporting and governance framework.

Carried

9 Emerging Key Risks

Nil

10 Independent Member Discussion

Nil

11 Other Business

Nil

Closure

The meeting closed at 10.02 am

Nicolle Rantanen Reynolds
Presiding Member
City of Adelaide Audit and Risk Committee