



AUDIT AND RISK COMMITTEE MINUTES

for the meeting

Friday, 8 November 2024

in the Colonel Light Room, Adelaide Town Hall

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Present:

Presiding Member	Nicolle Rantanen Reynolds
Committee Members	The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio)
	Mark Davies
	Paula Davies
	Simon Rodger

1 Acknowledgement of Country

The Presiding Member read the Acknowledgement of Country in Kaurna language.

2 Apologies and Leave of Absence

Apologies:

Councillor Li and Councillor Martin (proxy)

3 Confirmation of Minutes

Moved by Paula Davies,
Seconded by Mark Davies -

That the Minutes of the meeting of the Audit and Risk Committee held on 27 September 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 Reports

6.1 Contract Management Internal Audit - KPMG

Discussion ensued

Simon Rodger entered the Colonel Light Room at 9.33 am.

It was then –

Moved by Simon Rodger,
Seconded by Paula Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Contract Management Internal Audit report provided as Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Endorses the response of the Administration to the Contract Management Internal Audit report as outlined in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.

Discussion continued during which leave of the meeting was granted to include Part 3 of the motion as follows:

3. Notes that the Project Health Check Internal Audit (Capital Works) will be distributed to the Audit and Risk Committee Members.

The motion, as varied, was then put and carried

6.2 Culture Survey Review - KPMG

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Mark Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Culture Survey Review Internal Audit report provided as Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Endorses the response of the Administration to the Culture Survey Review Internal Audit report as outlined in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
3. Notes that the 2024 Culture Survey has been undertaken and the Audit and Risk Committee seeks further information on the impact of the survey results on the Workforce Management Strategy.
4. Notes that a report against the progress regarding agreed management actions in relation to the Culture Survey Internal Audit and the impact on staff will be brought back to the Audit and Risk Committee.

Carried

6.3 2024/25 Business Plan & Budget Quarter 1 Update

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Paula Davies -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the City of Adelaide 2024/25 Business Plan and Budget Quarter 1 Update as provided in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Approves adjustments for the 2024/25 Business Plan and Budget (BP&B) as identified in this report and reflected in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 30 September 2024, which includes:
 - 3.1. Total operating income of \$59.603m (\$0.788m higher than the budget of \$58.815m, for the period)
 - 3.2. Total operating expenses (including depreciation) of \$54.696m (\$1.264m higher than the budget of \$53.432m, for the period)
 - 3.3. An operating surplus of \$4.907m (\$0.476m lower than the budget of \$5.383m, for the period)
 - 3.4. Total Capital Expenditure of \$17.063m (\$0.266 higher than the budget of \$16.797m, for the period)
 - 3.5. Net cash surplus position of \$27.782m.
4. Approves the budgeted year end Operating Position, which includes:
 - 4.1. Total operating income of \$235.708m (\$0.483m higher than the adopted budget of \$235.225m)
 - 4.2. Total operating expenses (including depreciation) of \$226.341m (\$0.483m higher than the adopted budget of \$225.858)
 - 4.3. An operating surplus of \$9.367m (consistent with the adopted budget of \$0.9367m).

5. Approves total capital expenditure of \$122.912m for 2024/25 year (\$10.081m higher than the adopted budget of \$112.831m).
6. Approves total borrowings of \$23.733m projected to 30 June 2025 (\$29.944m lower than the adopted projected borrowings of \$53.677m to 30 June 2025).
7. Receives the Council Subsidiary Q1 updates as provided as Attachments B, C, D and E to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.

Carried

6.4 Internal Audit Progress Report

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Mark Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as outlined in Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.

Carried

COO Undertaking – Changes to Internal Audit Plan

An undertaking was given that proposed changes to the Internal Audit Plan will be provided to the Audit and Risk Committee for consideration and approval. The proposed changes will outline which audit items were considered and provide explanation of why the replacement item was selected.

6.5 Record Keeping Internal Audit

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Paula Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Endorses the responses of the Administration to the Record Keeping Internal Audit Report as outlined in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.

Carried

COO Undertaking – Cyber Security Impacts

An undertaking was given to provide the Audit and Risk Committee members with information in relation to cyber security impacts and the use of management systems.

6.6 Audit and Risk Committee Self-Assessment Results

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the results of the Audit and Risk Committee Self-Assessment 2024 outlined in Attachment A to Item 6.6 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Notes that the following actions will be considered by the Audit and Risk Committee at a future meeting of the Audit and Risk Committee:
 - 2.1 Briefing on the Future Fund;
 - 2.2 Workshops or briefings to be provided on any other key developments within the City of Adelaide and its subsidiaries such as AEDA and ACMA;
 - 2.3 To receive a presentation from the Strategic Risk and Internal Audit Group; and
 - 2.4 Investigate options for additional information to be included in the minutes of the meeting.

Carried

7 Emerging Key Risks

Nil

8 Independent Member Discussion

Nil

9 Other Business

Nil

10 Exclusion of the Public

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Paula 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 8 November 2024 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 11.1 [Strategic Risk and Internal Audit Update] listed on the Agenda.

Grounds and Basis

This Item is confidential in 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.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 8 November 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 11.1 [Strategic Risk and Internal Audit Update] 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 the public and Corporation staff not directly involved in Item 11.1 left the Colonel Light Room at 10.44 am.

11 Confidential Item

11.1 Strategic Risk and Internal Audit Update [S90(3) (i)]

Confidentiality Order

Item 11.1 – Strategic Risk and Internal Audit Update

Resolution & Confidentiality Order

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the report, which will be provided to the next meeting of the Council as part of the confidential report of the Audit and Risk Committee.
2. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999* (SA) and on the grounds that Item 11.1 [Strategic Risk and Internal Audit Update] listed on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024 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 this 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 2031.
 - 2.3. The confidentiality of this matter be reviewed in December 2024.
 - 2.4. The Chief Executive Officer or delegate 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 10.51 am

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