



AUDIT AND RISK COMMITTEE

Minutes

for the meeting on

Friday, 21 February 2025

in the Colonel Light Room, Adelaide Town Hall

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Our Adelaide.
Bold.
Aspirational.
Innovative.

Present:

Presiding Member	Nicolle Rantanen Reynolds
Committee Members	Mark Davies
	Paula Davies
	Simon Rodger
	Councillor Janet Giles

1 Acknowledgement of Country

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

2 Apologies and Leave of Absence

Apology:

The Lord Mayor, Dr Jane Lomax-Smith [ex-officio]

3 Confirmation of Minutes

Simon Rodger entered the Colonel Light Room at 9.02 am.

Moved by Mark Davies,
Seconded by Simon Rodger -

That the Minutes of the meeting of the Audit and Risk Committee held on 8 November 2024 and the Minutes of the Special meeting of the Audit and Risk Committee held on 11 December 2024, be taken as read and be confirmed as an accurate record of proceedings.

Carried

4 Declaration of Conflict of Interest

Simon Rodger declared a general conflict of interest in Item 7.1 [The 2025/26 BP&B - priorities, parameters, assumptions and current position], pursuant to Section 75 of the *Local Government Act 1999* (SA) because he is a volunteer member of a sports association that has a development in the Park Lands that is part of the budget cycle and that he would stay in the room and participate in the discussion.

5 Presiding Member Reports

Nil

6 Presentation

6.1 Strategic Risk and Internal Audit Group Presentation

Presenters:

Michael Sedgman, Chief Executive Officer
Kathryn Goldy, Acting Manager Governance
Janet Crook, Team Leader Corporate Governance

Precis of topic:

Utilising the PowerPoint presentation published in the Agenda, the presentation outlined the Strategic Risk and Internal Audit Group's role, scope of work, membership and meetings and how it reports to the Audit and Risk Committee.

7 Workshop

7.1 The 2025/26 BP&B - priorities, parameters, assumptions and current position

Discussion facilitators:

Michael Sedgman, Chief Executive Officer

Nicole Van Berkel, Acting Manager Finance & Procurement

Michelle Arbon, Acting Manager Strategy, Insights & Performance

Precis of topic:

Utilising the PowerPoint presentation published in the Agenda, the workshop outlined:

- The roadmap for the build of the 2025/26 Business Plan and Budget
- 2025/26 Priorities discussed with Council Members
- Long Term Financial Plan principles and assumptions
- Current budget position
- Revenue levers

8 Reports

8.1 2024/25 Business Plan & Budget Quarter 2 Update

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. Receives the City of Adelaide 2024/25 Business Plan and Budget Quarter 2 Update as provided in Attachment A to Item 8.1 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
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 8.1 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 31 December 2024, which includes:
 - 3.1. Total operating revenue of \$119.775m (\$1.923m higher than the budget of \$117.851m, for the period)
 - 3.2. Total operating expenses (including depreciation) of \$108.046m (\$1.953m lower than the budget of \$109.999m, for the period)
 - 3.3. An operating surplus of \$11.729m (\$3.876m higher than the budget of \$7.852m, for the period)
 - 3.4. Total Capital Expenditure of \$37.529m (\$9.747m lower than the budget of \$47.275m, for the period)
 - 3.5. Net cash surplus position of \$20.999m.

4. Approves budgeted year end Operating Position, which includes:
 - 4.1. Total operating revenue of \$237.913m (\$2.205m higher than the Quarter 1 budget of \$235.708m)
 - 4.2. Total operating expenses (including depreciation) of \$228.546m (\$2.205m higher than the adopted budget of \$226.341m)
 - 4.3. An operating surplus/deficit of \$9.367m (consistent with the Quarter 1 budget of \$9.367m).
5. Approves total capital expenditure of \$121.043m for 2024/25 year (\$1.869m lower than the Quarter 1 budget of \$122.912m).
6. Approves total borrowings of \$20.373m projected to 30 June 2025 (\$3.360m lower than the Quarter 1 projected borrowings of \$23.733m to 30 June 2025).
7. Receives the Council Subsidiary Quarter 2 updates as provided as Attachments B, C, D and E to Item 8.1 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.

Carried

8.2 Internal Audit Progress Report

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Paula Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as outlined in Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.

Carried

8.3 Archives Internal Audit

Discussion ensued

It was then –

Moved by Paula Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Archives Internal Audit report provided in Attachment A to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
2. Endorses the response of the Administration to the Archives Internal Audit report as outlined in Attachment A to Item 8.3 the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.

Carried

8.4 Audit and Risk Committee Meeting Dates

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Simon Rodger –

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the following meeting schedule for the Audit and Risk Committee to be held in the Colonel Light Room, Town Hall, Adelaide:
 - 1.1. Friday 11 April 2025, starting at 9.00am;
 - 1.2. Friday 16 May 2025, starting at 9.00am;
 - 1.3. Friday 13 June 2025, starting at 9.00am;
 - 1.4. Friday 15 August 2025, starting at 9.00am;
 - 1.5. Wednesday 24 September 2025, starting at 9.00am;
 - 1.6. Friday 14 November 2025, starting at 9.00am; and
 - 1.7. Friday 13 February 2026, starting at 9.00am.

Carried

8.5 2025 Audit and Risk Committee Work Plan

Discussion ensued

It was then –

Moved by Paula Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the Audit and Risk Committee work plan proposed for 2025 as contained in Attachment A to Item 8.5 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025, to guide Audit and Risk Committee activity during 2025.

Carried

8.6 2024-25 End of Year Financial Reporting Process & External Timetable

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the endorsement by the Audit and Risk Committee that the external audit plan, as contained in Attachment A to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025, is consistent with the scope of the External Audit engagement and relevant legislation and standards.
2. Approves the proposed 2024-25 End of Year Financial Reporting process and external audit timetable as contained in Attachment A to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
3. Notes the external auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2025 as detailed in Attachment B to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
4. Approves the External Audit terms of engagement as contained in Attachment B and Attachment C to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
5. Authorises the certification of the financial statements, in their final form, to be signed by the Chief Executive Officer and the principal member of Council as set out in Part 4 (14) of the Regulations.

Carried

CEO Undertaking - 2024-25 End of Year Financial Reporting Process & External Timetable – Meeting with External Auditor

In response to the meeting the Chief Executive Officer gave an undertaking to provide opportunity for the Audit and Risk Committee to meet with the External Auditor to allow discussion in relation to the 2024-25 End of Year Financial Reporting Process & External Timetable.

9 Emerging Key Risks

The Chief Executive Officer provided comments in relation to the Liv Golf Announcement and commented on implications regarding the care and control of the Park Lands and operation of a public course.

10 Independent Member Discussion

Nil

11 Other Business

Nil

Closure

The meeting closed at 10.19 am

Nicolle Rantanen Reynolds
Presiding Member
Audit and Risk Committee

Documents Attached:

Nil