



AUDIT AND RISK COMMITTEE MINUTES

for the meeting

Thursday, 12 May 2022

in the Colonel Light Room, Adelaide Town Hall

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Present:

Presiding Member **David Powell**

Deputy Presiding Member

Board Members **The Right Honourable the Lord Mayor Sandy Verschoor**
Paula Davies
Simon Rodger
Councillor Franz Knoll

Apologies - **John Oliver**

1 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 recognize 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.’

2 Apologies and Leave of Absence

Apology:

John Oliver

3 Item 3 - Confirmation of Minutes

Moved by Simon Rodger,
Seconded by Paula Davies -

That the Minutes of the meeting of the Audit and Risk Committee held on 8 April 2022, be taken as read and be confirmed as an accurate record of proceedings.

Carried

4 Presiding Member Reports

Nil

The Presiding Member advised the meeting that Item 6.1 would be considered prior to the presentations.

5 Report

6 Item 6.1 - Internal Audit Progress Report

The Lord Mayor entered the meeting at 8.30 am.

Jess Dillon, Acting Manager Governance, City of Adelaide provided an overview of the report during which:

- Justin Jamieson, Partner, KPMG and Heather Martens, Manager, KPMG provided an overview of the Internal Audit Report on Planning, Development and Infrastructure Act 2016 Implementation.
- Stephen Zaluski, Associate Director Regulatory Services, City of Adelaide provided further comments on Planning, Development and Infrastructure Act 2016 Implementation.
- Clare Mockler, Chief Executive Officer, City of Adelaide, Amanda Mcllroy, Chief Operating Officer, City of Adelaide and Jess Dillon responded to questions and comments from Committee Members.

It was then –

Moved by Simon Rodger,
Seconded by Councillor Franz Knoll -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the report.

Carried

7 Presentations

8 Item 5.1 - Cyber Security Presentation on Frontier Data Breach

Presenter:

Sonjoy Ghosh, Manager Information Management, City of Adelaide

Precis of topic:

Utilising the PowerPoint presentation published in the Agenda, the Audit and Risk Committee was provided with a Cyber Security presentation on Frontier Data Breach.

Discussion ensued during which Sonjoy Ghosh, Amanda Mcllroy and Grace Pelle, Manager Finance & Procurement, City of Adelaide responded to questions.

9 Item 5.2 - Update on Service Planning & Performance

Presenter:

Bree Goodchild, Manager Strategy & Insights, City of Adelaide

Precis of topic:

Utilising the PowerPoint presentation published in the Agenda, the Audit and Risk Committee was provided with an Update on Service, Planning and Performance.

Discussion ensued during which Bree Goodchild and Amanda Mcllroy responded to questions.

10 Reports

11 Item 6.2 - Draft 2022 - 2023 Business Plan & Budget

Utilising a PowerPoint presentation circulated to Audit and Risk Committee members prior to the meeting, Grace Pelle addressed the meeting to outline the changes made to the draft 2022 – 2023 Business Plan and Budget approved by Council at its meeting on 10 May 2022.

Discussion ensued during which:

- Ian Hill provided an overview of the draft 2022/23 Adelaide Economic Development Agency Business Plan and Budget and responded to questions.
- Jodie Kannane provided an overview of the draft 2022/23 Adelaide Central Market Authority Business Plan and Budget and responded to questions.
- Clare Mockler, Amanda McIlroy and Grace Pelle responded to questions.

It was then:

Moved by Paula Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the following documents were presented to Council at its meeting on 10 May 2022 for approval for consultation
 - 1.1. Draft 2022/23 Business Plan & Budget – Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.
 - 1.2. Draft 2022/23 Long Term Financial Plan – Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.
 - 1.3. Draft 2022/23 AEDA Business Plan & Budget – Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.
 - 1.4. Draft 2022/23 ACMA Business Plan & Budget – Attachment D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.
 - 1.5. Draft 2022/23 Kadaltilla / Park Lands Authority Business Plan & Budget – Attachment E to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.
2. Notes that at its meeting on 10 May 2022, Council approved amendments to the Draft Business Plan and Budget and Long Term Financial Plan to increase the Asset Sustainability Ratio from 70% to 90% and added \$300,000 to the expenses for undergrounding power lines. This has resulted in a revised result of \$214K deficit and \$42.2m in borrowings which is still within Council's financial sustainability ratios.
3. Provides the following feedback to be included in the consultation summary to Council at its meeting on 14 June 2022:
 - 3.1 The Audit and Risk Committee supports the use of the latest key indicators such as Deloitte Access Economics, CPI, wage price and interest rate forecast index to be considered in the final budget.

Carried

The PowerPoint presentation is attached for reference at the conclusion of the Minutes of the meeting.

The Presiding Member advised that Item 6.4 would be considered as the next item of business.

12 Item 6.4 - Review of the Long Term Financial Plan

Discussion ensued during which Grace Pelle responded to questions.

It was then –

Moved by Paula Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the draft Long Term Financial Plan which includes the financial indicators and ratio analysis, and CEO Statement on Sustainability, as per Attachment A to Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.

Carried

Discussion ensued during which:

- Councillor Knoll left the meeting at 10.32 am.
- The Presiding Member advised that Item 6.3 and confidential Items 11.1 and 11.2 would be considered at the next meeting of the Audit and Risk Committee.

Closure

The meeting closed at 10.33 am

Mr David Powell
Presiding Member
City of Adelaide Audit and Risk Committee

Document Attached for Reference:

Minute 11 - Item 6.2 – 2022 – 2023 Business Plan & Budget – PowerPoint Presentation

Enabling Priorities

**2022-2023
Business Plan and Budget:**

**Draft for Consultation: Summary
of Changes**

Changes to Draft for Consultation

Council meeting 10 May 2022 approved the following changes to the Draft 2022/23 Business Plan and Budget for consultation:

- Increase Asset Sustainability Ratio from 70% to 90%
- Added \$300K of operating expense for Undergrounding Power lines in residential streets

Proposed alternate recommendation for Audit and Risk Committee consideration at the meeting on 12 May 2022:

THAT THE AUDIT AND RISK COMMITTEE

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1. Notes the following documents were presented to Council at its meeting on 10 May 2022 for approval for consultation
 - 1.1 Draft 2022/23 Business Plan & Budget – Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.
 - 1.2 Draft 2022/23 Long Term Financial Plan – Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.
 - 1.3 Draft 2022/23 AEDA Business Plan & Budget – Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.
 - 1.4 Draft 2022/23 ACMA Business Plan & Budget – Attachment D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.
 - 1.5 Draft 2022/23 Kadaltilla / Park Lands Authority Business Plan & Budget – Attachment E to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 May 2022.
2. Notes that at its meeting on 10 May 2022, Council approved amendments to the Draft 2022/23 Business Plan and Budget and Draft 2022/23 Long Term Financial Plan to increase the Asset Sustainability Ratio from 70% to 90% and added \$300,000 to the expenses for undergrounding power lines. This has resulted in a revised result of \$214K deficit and \$42.2m in borrowings which is still within Council's financial sustainability ratios. These documents have been updated to affect the Council decision.
3. Provides the following feedback to be included in the consultation summary to Council at its meeting on 14 June 2022.

Changes to Draft for Consultation

Draft LTFP 70% AMP											
\$'000s	2021-22 Budget Review 3	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan
Operating Surplus / (Deficit)	(4,363)	86	2,246	4,664	11,083	15,939	22,017	27,934	33,760	38,690	41,865
Borrowings	24,208	32,936	46,810	16,861	-	-	-	-	-	-	-
Surplus Cash flow from Operations	15,937	16,995	1,992	12,071	18,737	22,702	25,618	(4,513)	30,825	(10,656)	41,297

Draft LTFP 90% AMP & Undergrounding											
\$'000s	2021-22 Budget Review 3	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan
Operating Surplus / (Deficit)	(4,363)	(214)	2,246	4,664	11,083	15,939	22,017	27,934	33,760	38,690	41,865
Borrowings	24,208	42,196	56,070	26,121	3,157	-	-	-	-	-	-
Surplus Cash flow from Operations	15,937	8,347	1,992	12,071	18,737	22,702	25,618	(4,513)	30,825	(10,656)	41,297

Movement											
\$'000s	2021-22 Budget Review 3	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan
Operating Surplus / (Deficit)	-	(300)	-	-	-	-	-	-	-	-	-
Borrowings	-	9,260	9,260	9,260	3,157	-	-	-	-	-	-
Surplus Cash flow from Operations	-	(8,648)	(0)	(0)	(0)	0	(0)	0	0	(0)	0