



# AUDIT AND RISK COMMITTEE MINUTES

for the meeting

Thursday, 4 August 2022

in the Colonel Light Room, Adelaide Town Hall

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**Present:**

<b>Presiding Member</b>	<b>David Powell</b>
<b>Committee Members</b>	<b>The Right Honourable the Lord Mayor Sandy Verschoor</b>
	<b>Paula Davies</b>
	<b>John Oliver</b>
	<b>Councillor Franz Knoll</b>

**Apology:**

<b>Committee Member</b>	<b>Simon Rodger</b>
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**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:

Simon Rodger

The Lord Mayor entered the meeting at 8.32 am.

**3 Item 3 - Confirmation of Minutes**

Moved by John Oliver,  
Seconded by Councillor Knoll -

That the Minutes of the meeting of the Audit and Risk Committee held on 17 June 2022 be taken as read and be confirmed as an accurate record of proceedings.

Carried

**4 Presiding Member Reports**

Nil

**5 Presentation**

**6 Item 5.1 - Update on Service Planning & Performance**

Utilising the PowerPoint presentation published in the Agenda for the meeting Bree Goodchild, Manager Strategy & Insights, City of Adelaide addressed the meeting to provide an update on Service Delivery Plans and responded to questions.

## 7 Reports

### 8 Item 6.1 - Valuation Methodology Report Assessment

Grace Pelle, Manager Finance & Procurement, City of Adelaide provided an overview of the report.

Discussion ensued during which Grace Pelle responded to questions.

It was then –

Moved by Paula Davies,  
Seconded by John Oliver -

#### THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

##### That Council

1. Notes the review of valuation methodology and associated report undertaken in 2017 provided in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
2. Notes the retention of the Assessed Annual Value methodology as per Rating Policy adopted by Council.

Carried

### 9 Item 6.2 - 2021/22 Quarterly Business Update Q4

Amanda McIlroy, Chief Operating Officer, City of Adelaide provided an overview of the report.

Discussion ensued during which Grace Pelle responded to questions.

Ian Hill, Executive Manager, Adelaide Economic Development Agency provided an overview of the Adelaide Economic Development Agency Quarter 4 Review and responded to questions.

Jodie Kannane, General Manager, Adelaide Central Market Authority provided an overview of the Adelaide Central Market Authority Quarter 4 Review.

Further discussion ensued during which Grace Pelle responded to questions.

It was then –

Moved by John Oliver,  
Seconded by Councillor Knoll -

#### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the 2021-22 Preliminary Financial Position and notes results are estimates only at this stage.
2. Notes the capitalisation KPIs outlined in Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
3. Notes the Capital Works Quarter 4 Review as presented in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
4. Notes the Commercial Operations Quarter 4 Review as presented in Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
5. Notes the Adelaide Economic Development Agency Quarter 4 Review as provided in Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
6. Notes the Adelaide Central Market Authority Quarter 4 Review as provided in Attachment D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
7. Notes the Kadaltilla / Park Lands Authority Quarter 4 Review as provided in Attachment E to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
8. Notes the Brown Hill Keswick Creek Quarter 4 Review as provided in Attachment F to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.
9. Notes the Consultants Spend report provided as Attachment G to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.

Carried

**10 Item 6.3 - Presiding Member's Annual Report**

Discussion ensued

It was then –

Moved by Paula Davies,  
Seconded by John Oliver -

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the Presiding Member's Annual Report for the 2021-22 financial year as included in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022.

Carried

**11 Item 6.4 - Risk Statement**

Discussion ensued

It was then –

Moved by Paula Davies,  
Seconded by Councillor Knoll -

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the statement to be included in the Annual Report, as outlined in Attachment A to Item 6.4 on the Agenda for the meeting of the City of Adelaide Audit and Risk Committee held on 4 August 2022.

Carried

**12 Item 6.5 - Strategic Internal Audit Plan**

Amanda McIlroy provided an overview of the report and responded to questions.

It was then –

Moved by Paula Davies,  
Seconded by John Oliver -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

That Council

1. Approves the City of Adelaide one-year Internal Audit Plan, contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit Committee held on 4 August 2022.

Carried

**13 Item 6.5 - COO Undertaking - Essential Eight Maturity Model Internal Audit**

In response to the meeting the Chief Operating Officer gave an undertaking to include the new Local Government Cyber Security Framework document in the assessment.

**14 Item 6.5 - COO Undertaking - Legislative Compliance Framework Internal Audit**

In response to the meeting the Chief Operating Officer gave an undertaking to prioritise auditing Acts that are high risk or have the greatest impacts if we are non-compliant.

**15 Item 6.6 - Internal Audit Progress Report**

Amanda McIlroy provided an overview of the report.

Annette Pianezzola, Risk & Audit Analyst, City of Adelaide provided an overview of the Record Keeping Internal Audit and responded to questions.

Grace Pelle provided an overview of the Management of Procurement Practices Internal Audit Report.

Discussion ensued during which Clare Mockler, Chief Executive Officer, City of Adelaide, Amanda McIlroy and Grace Pelle responded to questions.

Ian Hill provided an overview of the Rundle Mall Performance Review.

Justin Jamieson, Partner, KPMG provided an overview of the Payroll Operations Internal Audit.

Discussion ensued during which Justin Jamieson and Grace Pelle responded to questions.

It was then –

Moved by Paula,  
Seconded by John Oliver -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the report

Carried

**16 Item 6.6 - COO Undertaking - Management of Procurement Practices Internal Audit - Management Response**

In response to the meeting the Chief Operating Officer gave an undertaking to provide management responses to recommendations within the Management of Procurement Practices Internal Audit Report and timeframes for actioning.

**17 Emerging Key Risks**

Nil

**18 Independent Member Discussion**

Nil

**19 Other Business**

Nil

**20 Exclusion of the Public**

In accordance with sections 90(2),(3) and (7) of the *Local Government Act 1999 (SA)* the Audit and Risk Committee considered whether to discuss in confidence the reports contained within section 11 of the Agenda.

**21 Item 10 - Order to Exclude for Item 11.1**

Moved by Councillor Knoll,  
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 4 August 2022 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 11.1 [Activity of Strategic Risk & Internal Audit Group] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

This Item is of a confidential 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.

The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information relates to actual litigation of Council.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 4 August 2022 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 [Activity of Strategic Risk & Internal Audit Group] 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

## 22 Item 10 - Order to Exclude for Item 11.2

Moved by John Oliver,  
Seconded by Paula Davies -

### 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 4 August 2022 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 11.2 [Confidential Meeting with Internal Auditors] listed on the Agenda.

#### Grounds and Basis

This Item in the discussion could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting or proposing to business.

The disclosure of information discussed may adversely impact the commercial position of the Council.

#### Public Interest

The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information may result in release of information of 'commercial advantage' of the person conducting business with Council.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 4 August 2022 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 11.2 [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

Members of the public and Corporation staff present not directly involved with Items 11.1 & 11.2 left the Colonel Light Room at 9.57am.

**23 Confidential Items**

**24 Item 11.1 - Activity of Strategic Risk & Internal Audit Group** [Section 90(3) (i) of the Act]

**25 Item 11.1 - COO Undertaking in confidence** [Section 90(3) (i) of the Act]

**26 Item 11.2 - Confidential Meeting with Internal Auditors** [Section 90(3) (b) of the Act]

The meeting reopened to the public at 10.34 am.

### Confidentiality Orders

#### **Minutes 24 & 25 - Item 11.1** – Activity of Strategic Risk & Internal Audit Group

##### Resolution & Confidentiality Order

##### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the report is provided to the next meeting of the Council as part of the confidential report of the Audit and Risk Committee meeting.
2. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 11.1 listed on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022 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 the 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 2029.
  - 2.3. The confidentiality of this matter be reviewed in December 2023.
  - 2.4. 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.

#### **Minute 26 - Item 11.2** – Confidential Meeting with Internal Auditors

##### Confidentiality Order

1. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 11.2 listed on the Agenda for the meeting of the Audit and Risk Committee held on 4 August 2022 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:
  - 1.1. The discussion and the Minutes of the meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2029.
  - 1.2. The confidentiality of the matter be reviewed in December 2023.
  - 1.3. 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 received.

### **Closure**

The meeting closed at 10.34 am

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