



# AUDIT AND RISK COMMITTEE MINUTES

for the meeting

Wednesday, 10 May 2023

in the Colonel Light Room, Adelaide Town Hall

© 2023 CITY OF ADELAIDE. ALL RIGHTS RESERVED.



**Present:**

<b>Presiding Member</b>	<b>David Powell</b>
<b>Committee Members</b>	<b>The Right Honourable the Lord Mayor Lord Mayor, Dr Jane Lomax-Smith</b>
	<b>Paula Davies</b>
	<b>John Oliver</b>
	<b>Simon Rodger</b>
	<b>Councillor Jing Li</b>

**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**

Nil

**3 Item 3 - Confirmation of Minutes**

Moved by Paula Davies,  
Seconded by Simon Rodger -

That the Minutes of the meeting of the Audit and Risk Committee held on 12 April 2023, be taken as read and be confirmed as an accurate record of proceedings.

Carried

**4 Presiding Member Reports**

Nil

**5 Reports**

**6 Item 5.1 - Climate Change Risk Adaptation Action Plan**

Discussion ensued during which Clare Mockler - Chief Executive Officer, Steve Zaluski - Acting Chief Operating Officer, Matthew Field - Manager Park Lands & Sustainability and Tanya Roe - Senior Sustainability Advisor responded to questions.

It was then –

Moved by Paula Davies,  
Seconded by John Oliver -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the report.

2. Recommends bringing forward the mid point review of the Climate Change Risk Adaptation Action Plan and requests an update to the October Audit and Risk Committee meeting.

Carried

## 7 Item 5.2 - Internal Audit Progress Report

Alana Martin - Manager Governance provided an overview of the report.

Justin Jamieson - Partner KPMG provided an overview of the Asset Management Internal Audit report.

Discussion ensued during which Alana Martin, Justin Jamieson, Clare Mockler - Chief Executive Officer, Steve Zaluski - Acting Chief Operating Officer, Mike Philippou - Acting Director City Services and Jodie Kannane - General Manager Adelaide Central Market Authority responded to questions.

It was then –

Moved by Simon Rodger,  
Seconded by John Oliver -

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as outlined in Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 10 May 2023.
2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 10 May 2023.

Carried

## 8 Item 5.2 - COO Undertaking - Audit Reports - Provision of Budget Information

In response to the meeting an undertaking was given that:

- consideration will be given as to how best to show the rigour that goes into determination of timeframes.
- budget information against items would be provided in reporting going forward.

## 9 Item 5.2 - COO Undertaking - Progress of Agreed Actions Report

In response to the meeting an undertaking was given to provide a new due date on overdue items in the Progress of Agreed Actions report.

## 10 Item 5.3 - Q3 Business Update

Bree Goodchild - Manager Strategy & Insights and Piero Sparapani - Team Leader Financial Planning & Reporting provided an overview of the report.

Discussion ensued during which:

- Bree Goodchild, Piero Sparapani, Clare Mockler - Chief Executive Officer, Steve Zaluski - Acting Chief Operating Officer, Mike Philippou - Acting Director City Services, Jodie Kannane - General Manager Adelaide Central Market Authority, Greg Ratsch - General Manager Adelaide Economic Development Agency and Nicole Van Berkel - Corporate Accountant responded to questions.
- Simon Rodger left the meeting at 9.37 am.

It was then –

Moved by John Oliver,  
Seconded by Paula Davies -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCILTHAT COUNCIL

1. Approves the changes for the 2022/23 Business Plan and Budget as identified in this report and reflected in the Quarter 3 update presented in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 10 May 2023.
2. Approves the Uniform Presentation of Finances as presented in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 10 May 2023 and the revised Annual Financial Summary as identified in this report, which include:
  - 2.1. Total estimated operating income of \$213.446 million (\$213.446 million in Q2)
  - 2.2. Total estimated operating expenditure (including depreciation) of \$213.359 million (\$213.359 million in Q2)
  - 2.3. An operating surplus of \$87,000 (\$87,000 in Q2)
  - 2.4. Council borrowings (debt) projected to \$9.9 million (\$37.9 million in Q2).
3. Approves the proposed changes to Operating Position of:
  - 3.1. New offsets across both expenditure and revenue totalling \$1.988 million towards the \$4.83 million savings target set by Council
4. Approves the revised Capital Budget for 2022/23 of:
  - 4.1. Major Projects expenditure of \$17.1 million (previously \$30.5 million in Q2)
  - 4.2. New and Upgrades expenditure of \$6.5 million (previously \$11.3 million in Q2)
  - 4.3. Renewals expenditure of \$38.2 million (previously \$42.6 million in Q2)
  - 4.4. Capital Program Management expenditure of \$9.8 million (no change from the \$9.8 million in Q2)
  - 4.5. Grant funding to support capital expenditure on new/upgraded assets of \$11.7 million (previously \$11.5 million in Q2).
5. Notes the Adelaide Central Market Authority Quarter 3 report 2022/23 (Attachment B to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 10 May 2023).
6. Notes the Adelaide Economic Development Agency Quarter 3 report 2022/23 (Attachment C to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 10 May 2023).
7. Notes the Kadaltilla / Park Lands Authority Quarter 3 report 2022/23 (Attachment D to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 10 May 2023).
8. Notes the Brown Hill Keswick Creek Quarter 3 report 2022/23 (Attachment E to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 10 May 2023).
9. Notes that at the end of this Quarter 92% of Projects were capitalised within 10 Weeks, exceeding the 70% target set by the Audit and Risk Committee at its meeting of 5 February 2021.

Carried

**11 Item 5.3 - COO Undertaking - Quarterly Business Updates**

In response to the meeting an undertaking was given to simplify and improve the quarterly business updates by:

- Considering use of visual tools to reduce the written content
- Including a traffic light system in the quarter highlights for services
- Reducing subsidiary reports to a one-pager covering finances, KPIs and key risks
- Reducing the use of illustrations and photographs in favour of text and numerical representations

**12 Emerging Key Risks**

Nil

**13 Independent Member Discussion**

Nil

**14 Other Business**

Nil

**15 Item 9 - Exclusion of the Public**

ORDER TO EXCLUDE FOR ITEM 10.1

Moved by Paula Davies,  
Seconded by the Lord Mayor -

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 10 May 2023 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 10.1 [Strategic Risk and Internal Audit Update] listed on the Agenda.

Grounds and Basis

This Item is confidential because the report includes information on Council litigation.

The disclosure of information in this report is likely to prejudice the outcome of the 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 the 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 10 May 2023 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 10.1 [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

There were no members of the public present. Members of Corporation staff not directly involved in Item 10.1 left the Colonel Light Room at 9.50 am.

**16 Confidential Item**

**17 Item 10.1 - Strategic Risk and Internal Audit Update**

The meeting re-opened to the public at 10.10 am

### Confidentiality Order

**Minute 17 - Item 10.1** – Strategic Risk & 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 meeting.
2. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 10.1 listed on the Agenda for the meeting of the Audit and Risk Committee held on 10 May 2023 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 2024.
  - 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.

### **Closure**

The meeting closed at 10.10 am

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