



# AUDIT AND RISK COMMITTEE MINUTES

for the meeting

Friday, 6 October 2023

in the Colonel Light Room, Adelaide Town Hall

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6 October 2023 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 6.1 Confidential Meeting with Internal Auditors] 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 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 6 October 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 6.1 [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

## 11 Exclusion of the Public

Moved by Simon Rodger,  
Seconded by John Oliver -

### ORDER TO EXCLUDE FOR ITEM 12.1

#### 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 6 October 2023 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 12.1 [Confidential Meeting with External Auditors] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

Under Section 3.3.3 of the Audit and Risk Committee Terms of Reference, the Audit and Risk Committee is required to meet with Council's external auditors, at least annually, without management being present to discuss issues arising from the External Audit.

The disclosure of information in this report may result in the release of information that would breach the Audit and Risk Committee's Terms of Reference and 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 the release of information of a commercial advantage that may adversely impact the Council and would breach the Terms of Reference of the Audit and Risk Committee.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 6 October 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 12.1 [Confidential Meeting with External 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

All members of the public and Corporation staff left the Colonel Light Room at 8.33 am.

**6 Confidential Item**

**6.1 Item 6.1 - Confidential Meeting with Internal Auditors**

**12.1 Item 12.1 - Confidential Meeting with External Auditors**

The meeting re-opened to the public at 8.55 am

### **Comment - Confidentiality Order**

#### **Item 6.1** – Confidential Meeting with Internal Auditors

##### Resolution and Confidentiality Order

##### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the verbal report, in confidence from Council's Internal Auditors, KPMG.
2. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 6.1 [Confidential Meeting with Internal Auditors] listed on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023 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:
  - 2.1. The resolution and report become public information and included in the Minutes of the meeting.
  - 2.2. The discussion and the Minutes of the meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2030.
  - 2.3. The confidentiality of the matter be reviewed in December 2024.
  - 2.4. 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.

#### **Item 12.1** – Confidential Meeting with External Auditors

##### Resolution and Confidentiality Order

##### THAT THE AUDIT AND RISK COMMITTEE

1. Receives a verbal report from Council's external auditors, BDO at the Audit and Risk Committee Meeting on 6 October 2023.
2. In accordance with Section 91(7) & (9) of the *Local Government Act 1999 (SA)* (the Act) and because Item 6.1 [Confidential Meeting with External Auditors] listed on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023 was received, discussed and considered in confidence pursuant to Section 90(3)(b) of the Act, this meeting of the Audit and Risk Committee do order that:
  - 2.1. The resolution and report become public information and included in the Minutes of the meeting.
  - 2.2. 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 the matter be reviewed in December 2024.
  - 2.4. 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 revoked.

## **7 Reports**

The Presiding Member advised the meeting that Items 7.3 and 7.4 would be considered prior to Item 7.1.

### **7.3 Item 7.3 - Audited Financial Statements & Report on Financial Results**

Michael Sedgman, Chief Operating Officer, provided an overview of the report.

Discussion ensued during which Michael Sedgman, Anthony Spartalis, Manager Finance & Procurement, Nicole van Berkel, Team Leader Financial Planning & Reporting and Linh Dao, Partner, Audit and Assurance, BDO responded to questions.

It was then –

Moved by Paula Davies,  
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCILTHAT COUNCIL

1. Considers that the Consolidated Financial Statements present fairly the financial position of the City of Adelaide, having reviewed the Consolidated Financial Statements for 2022/23, contained in Attachment A to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023.
2. Receives the City of Adelaide's Consolidated Financial Statements for 2022/23, contained in Attachment A to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023, subject to minor administrative changes and subsequent balance date event adjustments, to be certified by the Chief Executive Officer and the Lord Mayor.
3. Considers it is appropriate that the representation letter requested by the external auditor, contained in Attachment B to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023, is signed by management.
4. Notes the Certification of Auditor Independence contained in Attachment C to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023 by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
5. Authorises the Chief Executive Officer and the Lord Mayor to certify the Annual Financial Statements in their final form.
6. Notes the Adelaide Economic Development Agency Financial Statements for 2022/23, contained in Attachment D to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023, have been reviewed by the Adelaide Economic Development Agency Board at its meeting on 26 September 2023. These financial results are included in the Consolidated Financial Statements of the City of Adelaide, and
  - 6.1. Considers the Financial Statements for 2022/23 present fairly the financial position of the Adelaide Economic Development Agency.
  - 6.2. Notes the Certification of Auditor Independence in relation to Adelaide Economic Development Agency, contained in Attachment E to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023 is signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
  - 6.3. Notes the representation letter requested by the external auditor of the Adelaide Economic Development Agency, contained in Attachment F to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023, is signed by management.
7. Notes the Adelaide Park Lands Authority Financial Statements for 2022/23, contained in Attachment G to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023, are included in the Consolidated Financial Statements of the City of Adelaide, and
  - 7.1. Considers the Financial Statements for 2022/23 present fairly the financial position of the Adelaide Park Lands Authority and can be certified by the Lord Mayor as Chair of Adelaide Park Lands Authority.
  - 7.2. Considers it is appropriate that the representation letter requested by the external auditor of the Adelaide Park Lands Authority, contained in Attachment H to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023, is signed by management.
  - 7.3. Notes the Certification of Auditor Independence in relation to the Adelaide Park Lands Authority, contained in Attachment I to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023, and considers it is appropriate to be signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
8. Notes the Brown Hill and Keswick Creeks Storm Water Board's Financial Statements for 2022/23 as contained in Attachment J to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023. Council's equity interest of 8% is included in the Consolidated Financial Statements of the City of Adelaide.
9. Recommends the 2022/23 Consolidated Financial Statements of the City of Adelaide, and the Financial Statements of the Adelaide Park Lands Authority, Adelaide Central Market Authority and Brown Hill and Keswick Creeks Stormwater Board be presented to Council for noting on 24 October 2023 and included in the adopted Annual Report.
10. Notes the 2022/23 Report on the financial results for the City of Adelaide and its subsidiaries,

contained in Attachments K, L, M and N to Item 7.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023.

Carried unanimously

#### COO Undertaking – Financial Responsibility for Council Land

The Chief Operating Officer gave an undertaking to provide information to Audit and Risk Committee members via email to clarify who is financially responsible for land remediation costs following building demolition.

#### **7.4 Item 7.4 - Matters arising from External Audit Finance Audit**

Michael Sedgman, Chief Operating Officer, provided an overview of the report.

Discussion ensued during which Anthony Spartalis, Manager Finance & Procurement and Linh Dao, Partner, Audit and Assurance, BDO responded to questions.

It was then –

Moved by John Oliver,  
Seconded by Paula Davies -

#### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the 'City of Adelaide Annual Completion Report for the year ended 30 June 2023' from Council's external auditors, BDO, contained in Attachment A to Item 7.4 on the Agenda for the meeting of the Audit and Risk Committee held 6 October 2023.

Carried unanimously

#### **7.1 Item 7.1 - City of Adelaide Annual Report 2022/23**

Michael Sedgman, Chief Operating Officer, provided an overview of the report.

Discussion ensued during which Michael Sedgman and Clare Mockler, Chief Executive Officer responded to questions.

It was then –

Moved by Simon Rodger,  
Seconded by John Oliver -

#### THAT THE AUDIT AND RISK COMMITTEE

3. Notes the draft City of Adelaide Annual Report 2022/23 as provided in Attachment A to Item 7.1 on the Agenda for the meeting of Audit and Risk Committee held on 6 October 2023.
4. Notes the Adelaide Central Market Authority Annual Report 2022/23 as provided in Attachment B to Item 7.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023.
5. Notes the draft Adelaide Economic Development Agency Annual Report 2022/23 as provided in Attachment C to Item 7.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023.
6. Notes the draft Kadaltilla / Adelaide Park Lands Authority Annual Report 2022/23 as provided in Attachment D to Item 7.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023.
7. Notes the draft Brown Hill and Keswick Creeks Stormwater Board Annual Report 2022/23 as provided in Attachment E to Item 7.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023.
8. Notes that the Chief Executive Officer will make any editorial amendments resulting as a recommendation of Council and any formatting changes to the 2022/23 Annual Report.

Carried

## 7.2 Item 7.2 - Audit and Risk Committee Self-Assessment Results

Michael Sedgman, Chief Operating Officer, provided an overview of the report and responded to questions.

It was then –

Moved by Simon Rodger,  
Seconded by Paula Davies -

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the results of the Audit and Risk Committee Self-Assessment outlined in Attachment A to Item 7.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 October 2023.

Carried

### COO Undertaking – Audit and Risk Committee Member Appointments

The Chief Operating Officer gave an undertaking to provide the Audit and Risk Committee Members with details of the appointment of new members to the Audit and Risk Committee following Council's decision at its meeting on 24 October 2023.

## 8 Emerging Key Risks

Nil

## 9 Independent Member Discussion

Nil

## 10 Other Business

Clare Mocker, Chief Executive Officer acknowledged that this was the final meeting for David Powell as Presiding Member of the Audit and Risk Committee. Clare thanked David on behalf of the City of Adelaide and presented him with a gift.

Acclamation

The Presiding Member addressed the meeting in response.

## Closure

The meeting closed at 10.00 am.

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