



AUDIT AND RISK COMMITTEE MINUTES

for the meeting

Friday, 10 November 2023

in the Colonel Light Room, Adelaide Town Hall

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Present:

Presiding Member	Nicolle Rantanen Reynolds
Committee Members	The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex officio) Paula Davies Simon Rodger Councillor Jing Li

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 Confirmation of Minutes

Moved by Paula Davies,
Seconded by Councillor Jing Li -

That the Minutes of the meeting of the Audit & Risk Committee held on 6 October 2023 be taken as read and be confirmed as an accurate record of proceedings.

Carried

Simon Rodger entered the Colonel Light Room at 1:02pm.

4 Presiding Member Reports

Nil

5 Reports

5.1 Item 5.1 - 2023/24 BP&B Quarter One Progress Report

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 quarterly update for the 2023/24 Business Plan and Budget as provided in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023, and notes the highlights of deliverables, status updates and risks and opportunities provided for Projects, Portfolios and Subsidiaries
2. Approves adjustments for the 2023/24 Business Plan and Budget as identified in this report and reflected in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
3. Approves the budgeted year end Operating Position, which includes:
 - 3.1. Total operating income of \$229.394m
 - 3.2. Total operating expenses (including depreciation) of \$227.442m
 - 3.3. An operating surplus of \$1.952m
4. Approves total capital expenditure of \$110.280m for the 2023/24 year
5. Approved total borrowings of \$40.553m projected to 30 June 2024
6. Notes the year to date Operating Position (Financial Performance) for the quarter as presented in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023, which includes:
 - 6.1. Total operating income of \$56.554m
 - 6.2. Total operating expenses (including depreciation) of \$50.397m
 - 6.3. An operating surplus of \$6.156m
 - 6.4. Total Capital Expenditure of \$24.134m
 - 6.5. Cash positive position of \$3.191m
7. Notes the detailed quarterly updates of Council Subsidiaries as provided as Attachments B, C & D to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

Carried

5.2 Item 5.2 - Grants Management Internal Audit

Discussion ensued

It was then -

Moved by Paula Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Endorses the responses of the Administration to the Grants Management Internal Audit Report as outlined in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

Carried

5.3 Item 5.3 - Review of Confidentiality Orders

Discussion ensued

It was then -

Moved by Simon Rodger,
Seconded by Councillor Jing Li -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Endorses the responses of the Administration to the Review of Confidentiality Orders as outlined in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

Carried

5.4 Item 5.4 - Climate Change Risk Adaptation Action Plan

Discussion ensued

It was then -

Moved by Paula Davies,
Seconded by Councillor Jing Li -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress in the review of the Climate Change Risk Adaptation Action Plan 2021-2026.

Carried

5.5 Item 5.5 - Record Keeping Internal Audit

Discussion ensued

It was then -

Moved by Simon Rodger,
Seconded by Paula Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.5 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Endorses the responses of the Administration to the Record Keeping Internal Audit Report as outlined in Attachment A to Item 5.5 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

Carried

5.6 Item 5.6 - Cab Charges, Ride Shares & Pool Cars Internal Audit

Discussion ensued

It was then -

Moved by Paula Davies,
Seconded by Councillor Jing Li -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 5.6 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Endorses the responses of the Administration to the Cab Charges, Ride Shares and Pool Cars Internal Audit Report as outlined in Attachment A to Item 5.6 on the Agenda for the meeting of the Audit and

Risk Committee held on 10 November 2023.

Carried

5.7 Item 5.7 - Internal Audit Progress Report

Discussion ensued

It was then -

Moved by Simon Rodger,
Seconded by Paula Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of Internal Audit Plan as outlined in Item 5.7 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 5.7 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

Carried

5.8 Item 5.8 - Audit and Risk Committee Workplan

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 workplan proposed for 2024 (Attachment A to Item 5.8 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023) to assist Administration in bringing forward reports as required.
2. Notes that precise scheduling of Audit and Risk Committee meetings will be finalised following discussion of a Report to the City Finance and Governance Committee on 21 November 2023.

Carried

5.9 Item 5.9 - Draft Strategic Plan 2024-2028

Discussion ensued

It was then -

Moved by Paula Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the draft Strategic Plan 2024-2028, provided as Attachment A to Item 5.9 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.

Carried

6 Emerging Key Risks

Nil

7 Independent Member Discussion

Discussion ensued regarding the Optus outage. Administration provided advice that the Manager of Information Management will be providing a full report to the Strategic Risk and Internal Audit Group.

8 Other Business

Michael Sedgman, Chief Operating Officer, gave an undertaking to provide the Chair with an overview of the Strategic Risk Register.

9 Exclusion of the Public

Moved by Paula Davies,
Seconded by Simon Rodger -

ORDER TO EXCLUDE FOR ITEM 10.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (h) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 10 November 2023 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 10.1 [Voters Roll Review] listed on the Agenda.

Grounds and Basis

This Item is confidential in nature because the report includes information provided to Council by a lawyer that is made primarily for the purpose of giving legal advice.

The disclosure of information in this report could reasonably be expected to prejudice the position of Council based on the legal advice provided.

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 November 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 [Voters Roll Review] 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) (h) of the Act.

Carried

Moved by Paula Davies,
Seconded by Simon Rodger -

ORDER TO EXCLUDE FOR ITEM 10.2

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 November 2023 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 10.2 [Strategic Risk and Internal Audit Update] listed on the Agenda.

Grounds and Basis

This Item is confidential in 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 10 November 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 10.2

[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 present not directly involved with Items 10.2 & 10.2 to left the Colonel Light Room at 2:33pm.

10 Confidential Item

10.1 Item 10.1 - Voters Roll Review

10.2 Item 10.2 - Strategic Risk and Internal Audit Update

Confidentiality Order

The meeting re-opened to the public at 2:42pm.

Item 10.1 – Voters Roll Review

Resolution & Confidentiality Order

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 10.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Endorses the responses of the Administration to the Voters Roll Review as outlined in Attachment A to Item 10.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
3. 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 November 2023 was received, discussed and considered in confidence pursuant to Section 90 (3) (h) of the *Local Government Act 1999 (SA)* this meeting of the Audit and Risk Committee, do order that:
 - 3.1. The resolution and report become public information and included in the Minutes of the meeting.
 - 3.2. The discussion and attachment 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 2030.
 - 3.3. The confidentiality of the matter be reviewed in December 2024.
 - 3.4. 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.

Item 10.2 – Strategic Risk and 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.
2. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999 (SA)* and on the grounds that Item 10.2 listed on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 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 this 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 2030.
 - 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 2.42 pm.

Nicolle Rantanen Reynolds
Presiding Member
City of Adelaide Audit and Risk Committee

Document attached –

Item 10.1 - Voters Roll Review Report – Considered in confidence and released to the public

Voters Roll Review

Friday, 10 November 2023

Audit and Risk Committee

Strategic Alignment - Enabling Priorities

Program Contact:

Alana Martin - Manager
Governance

Confidential - s 90(3) (h) legal advice

Approving Officer:

Michael Sedgman - Chief
Operating Officer

EXECUTIVE SUMMARY

The Chief Executive Officer identified a requirement to perform a review on the voters roll.

The internal audit identified three high, three moderate and three low risk rated findings.

Internal audit is an essential component of a good governance framework. It is the mechanism which enables Council to receive assurance that internal controls and risk management approaches are effective, that it is performing its functions legally, effectively, and to advise how it can improve performance.

Consideration in confidence is sought because the report includes information provided to Council as legal advice.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 10.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
2. Endorses the responses of the Administration to the Voters Roll Review as outlined in Attachment A to Item 10.1 on the Agenda for the meeting of the Audit and Risk Committee held on 10 November 2023.
3. 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 November 2023 was received, discussed and considered in confidence pursuant to Section 90 (3) (h) of the *Local Government Act 1999 (SA)* this meeting of the Audit and Risk Committee, do order that:
 - 3.1. The resolution and report become public information and included in the Minutes of the meeting.
 - 3.2. The discussion and attachment 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 2030.
 - 3.3. The confidentiality of the matter be reviewed in December 2024.
 - 3.4. 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.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities Internal audit is an essential component of a good governance framework. It enables Council to ensure it is performing its function legally, effectively and efficiently.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	<i>Local Government (Elections) Act 1999 (SA) and the City of Adelaide Act 1998 (SA)</i>
Opportunities	Internal audits suggest a range of improvement opportunities related to the area being reviewed, enhancing functions and services and aligning Council processes to best practice standards.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

FOUNDATIONS AND BASIS FOR CONSIDERATION IN CONFIDENCE

Grounds

Section 90 (3) (h) of the *Local Government Act 1999 (SA)*

Legal advice.

Basis

This Item is confidential in nature because the report includes information provided to Council by a lawyer that is made primarily for the purpose of giving legal advice.

The disclosure of information in this report could reasonably be expected to prejudice the position of Council based on the legal advice provided.

DISCUSSION

Background

1. The Voters Roll Review was performed by Norman Waterhouse.

Report

2. This audit was identified by the Chief Executive Officer, who requested a review on the preparation of the voters roll for the 2022 periodic elections.
3. Periodic local government elections in South Australia were held in November 2022 for the offices of Lord Mayor, Area Councillors and Ward Councillors.
4. The objective of the review was to:
 - 4.1. Review the process by which the Voters Roll was produced and maintained.
 - 4.2. To determine whether the Council maintains the roll in accordance with its legislative obligations.
5. The findings of the internal audit are indexed into the following risk ratings:

Findings	Risk Rating
Specific issue regarding occupiers	High
Specific issue regarding head leases	High
Obtaining applications from non-citizens	Moderate
Assessing accuracy of data provided in Form 1s	Moderate
Policy and procedure	High
Enrolment letter	Moderate
Certification by the CEO	Low
Council's efforts to promote enrolment	Low
Review of Council metrics on its promotional materials	Low

6. Management have considered the findings and provided actions and time frames to address these findings.

ATTACHMENTS

Attachment A – Voters Roll Review