



AUDIT AND RISK COMMITTEE MINUTES

for the meeting

Friday, 16 February 2024

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)
	Mark Davies
	Simon Rodger
	Councillor Jing Li

1 Acknowledgement of Country

The Presiding Member read the Acknowledgement of Country in Kaurna language.

2 Apologies and Leave of Absence

Apology:

Paula Davies

3 Confirmation of Minutes

Moved by Simon Rodger,
Seconded by Nicolle Rantanen Reynolds -

That the Minutes of the meeting of the Audit and Risk Committee held on 10 November 2023, be taken as read and be confirmed as an accurate record of proceedings.

Carried

4 Presiding Member Reports

Nil

5 Reports

5.1 2023/24 BP&B Q2 Progress Report

Discussion ensued

It was then –

Moved by Simon Roger,
Seconded by Mark 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 16 February 2024, 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 16 February 2024.
3. Approves the budgeted year end Operating Position, which includes:
 - 3.1. Total operating income of \$230.537m
 - 3.2. Total operating expenses (including depreciation) of \$228.534m
 - 3.3. An operating surplus of \$2.003m

4. Approves total capital expenditure of \$110.336m for the 2023/24 year.
5. Approved total borrowings of \$42.106m 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 16 February 2024, which includes:
 - 6.1. Total operating income of \$118.306m
 - 6.2. Total operating expenses (including depreciation) of \$109.307m
 - 6.3. An operating surplus of \$8.999m
 - 6.4. Total Capital Expenditure of \$40.741m
 - 6.5. Net Cash borrowings position of \$3.076m, with \$5.700m in borrowings, offset by \$2.624m in deposits.
7. Notes the detailed quarterly updates of Council Subsidiaries as provided as Attachments B, C, D & E to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
8. Notes the updated Long Term Financial Plan as provided in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

Carried

A/COO Undertaking – 2023/24 BP&B Q2 Progress Report – Review of Deferred Projects

In response to Councillor Li, an undertaking was given to review projects deferred due to increased quotations and whether complimentary funding sources within the community can be utilised.

5.2 Climate Change Action Plan Internal Audit

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Mark Davies -

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 16 February 2024.
2. Endorses the responses of the Administration to the Climate Change Action Plan Internal Audit as outlined in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

Carried

5.3 Draft Integrated Climate Strategy 2030

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Councillor Li -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the integration of the Climate Risk Adaptation Action Plan into the draft Integrated Climate Strategy 2030, along with six other climate related City of Adelaide action plans and strategies.
2. Notes that Council endorsed the draft Integrated Climate Strategy 2030 contained in Attachment A to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024 for public consultation on 12 December 2023.

Carried

5.4 2023-24 End of Year Financial Reporting Process & External Timetable

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the endorsement by the Audit and Risk Committee that the external audit plan, as contained in Attachment C to Item 5.4 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024, is consistent with the scope of the External Audit engagement and relevant legislation and standards.
2. Approves the proposed 2023-24 End of Year Financial Reporting process and external audit timetable as contained in Attachment C to Item 5.4 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
3. Notes the external auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2024 as detailed in Attachment A to Item 5.4 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
4. Approves the External Audit terms of engagement as contained in Attachment A and Attachment B to Item 5.4 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

Carried

5.5 Community Safety Internal Audit

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Mark 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 16 February 2024.
2. Endorses the responses of the Administration to the Community Safety 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 16 February 2024.

Carried

5.6 Mercer Review Internal Audit

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Mark Davies -

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 16 February 2024.
2. Endorses the responses of the Administration to the Mercer Review 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 16 February 2024.

Carried

5.7 AEDA Review Implementation Plan Update

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Councillor Li -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes progress made to date on the AEDA Review Implementation Plan as outlined in Attachment A to Item 5.7 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

Carried

5.8 Internal Audit Progress Report

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Mark Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of Internal Audit Plan as outlined in Item 5.8 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 5.8 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.

Carried

5.9 2024 Audit and Risk Committee Meeting Dates

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the following meeting schedule for the Audit and Risk Committee to be held in the Colonel Light Room, Town Hall, Adelaide:
 - 1.1 Friday 12 April 2024 from 8.30am
 - 1.2 Friday 3 May 2024 from 8.30am
 - 1.3 Friday 14 June 2024 from 2.00pm
 - 1.4 Friday 27 September 2024 from 8.30am
 - 1.5 Friday 8 November 2024 from 9.30am
 - 1.6 Friday 14 February 2025 from 8.30am

Carried

5.10 Audit and Risk Committee Work Plan

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Mark Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Adopts the revised 2024 work plan (Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024) to guide Audit and Risk Committee activity during 2024.

Carried

5.11 Review of Asset Management Plans

Discussion ensued

It was then –

Moved by Mark Davies,
Seconded by Simon Rodger -

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the draft Urban Elements Asset Management Plan as per Attachments A and B to Item 5.11 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
2. Receives the draft Transportation Asset Management Plan as per Attachments C and D to Item 5.11 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024.
3. Notes the draft Urban Elements Asset Management Plan and the draft Transportation Assessment Management Plan as per Attachments A, B, C and D to Item 5.11 on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024 were endorsed by Council on 12 December 2023 for the purposes of public consultation.
4. Notes the advice provided in response to questions regarding community engagement and the proposed update of the Long Term Financial Plan to address the implications of the draft Asset Management Plans and to improve the executive summary for the purpose of informing the community what is covered within the asset classes.

Carried

6 Workshop

6.1 What Underpins the Build of the 2024/25 BP&B

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Mark Davies -

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the items that underpin the build of the 2024/25 Business Plan and Budget.
2. Notes the timelines for the development of the Business Plan and Budget which includes a further engagement of the Audit and Risk Committee.

Carried

Mark Davies left the meeting at 10.31am

7 Emerging Key Risks

Nil

8 Independent Member Discussion

Nil

9 Other BusinessA/COO Undertaking – Audit and Risk Committee Agenda - Conflicts of Interest

In response to the Presiding Member, an undertaking was given to address conflicts of interest at the start of the Audit and Risk Committee Agenda for future meetings.

10 Exclusion of the Public

Discussion ensued

It was then –

Moved by Simon Rodger,
Seconded by Councillor Li -

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 16 February 2024 resolves that it is necessary and appropriate to act in a meeting closed to the public for the consideration of Item 11.1 [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.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 16 February 2024 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 [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 Item 11.1 left the Colonel Light Room at 10.32am.

11 Confidential Item

11.1 Strategic Risk and Internal Audit Update [S90(3) (i)]

The meeting re-opened to the public at 10.42am

Item 11.1 – 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 11.1 [Strategic Risk and Internal Audit Update] listed on the Agenda for the meeting of the Audit and Risk Committee held on 16 February 2024 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 inspections until 31 December 2031.
 - 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.

12 Other Business

A/COO Undertaking – Modern Slavery Act 2018 - Reporting

In response to the Lord Mayor, an undertaking was given to provide an update on the reporting undertaken by the City of Adelaide to meet the annual reporting requirements of the *Modern Slavery Act 2018*.

Closure

The meeting closed at 10.43 am

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

Documents Attached:

Nil