

Audit and Risk Committee Report - 10 May 2023

Tuesday, 23 May 2023
Council

Strategic Alignment - Enabling Priorities

Program Contact:
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Governance

Public

Approving Officer:
Michael Sedgman - Chief
Operating Officer

EXECUTIVE SUMMARY

The Audit and Risk Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to its Terms of Reference in order to facilitate informed decision making in relation to discharging its legislative responsibilities and duties.

The Audit and Risk Committee is required to report to Council after every meeting. This report presents the outcomes of the Audit and Risk Committee following their meeting on 10 May 2023 (see [Agenda for Audit and Risk Committee on Wednesday, 10th May, 2023, 8.30 am - City of Adelaide](#)).

When consideration of matters results in a recommendation to Council, this will be incorporated into the report as an item comes to Council (via Committee) for decision.

RECOMMENDATION

THAT COUNCIL

1. Notes that the Audit and Risk Committee met on 10 May 2023.
 2. Notes that advice provided by the Audit and Risk Committee will be incorporated into the report as an item comes to Council (via Committee) for decision.
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DISCUSSION

1. The Audit and Risk Committee met on 10 May 2023 and considered the following items.
 - 1.1. Climate Change and Risk Adaptation Action Plan
 - 1.2. Internal Audit Progress Report
 - 1.3. Q3 Business Update-
 - 1.3.1. Advice included in the Q3 Business Update report presented City Finance and Governance Committee 16 May 2023 ([Link One](#))
 - 1.4. Strategic Risk and Internal Audit Update
 - 1.4.1. Confidential report to be presented to Council at its meeting 23 May 2023

Resolutions of the Committee

2. Climate Change Risk Adaptation Action Plan

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.

3. Internal Audit Progress Report

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.

4. Q3 Business Update

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT 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.
5. Strategic Risk and Internal Audit Update

Considered in confidence pursuant to Section 90(3) (i) of the *Local Government Act 1999 (SA)*

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.

- END OF REPORT -