

Audit and Risk Committee Report - 12 April 2024

Tuesday, 23 April 2024
Council

Strategic Alignment - Our Corporation

Program Contact:
Kathryn Goldy, Acting Manager
Governance

Public

Approving Officer:
Anthony Spartalis, Acting 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 12 April 2024 (view the public component of the meeting documents at [Agenda for Audit and Risk Committee on Friday, 12th April, 2024, 8.30 am - City of Adelaide](#)).

The Audit and Risk Committee resolved to present a recommendation on the following matters to Council for Council determination:

Item 6.3 – 2024/25 Business Plan & Budget – Update

RECOMMENDATION

1. **Recommendation 1** – Item 6.3 - 2024/25 Business Plan & Budget – Update

THAT COUNCIL

- Notes the support of the Audit and Risk Committee for the Asset Renewal Repair Fund of \$4.582m resourced through a temporary increase in rates revenue for 2024/25 to deliver an Operating Surplus to ensure that adequate cash flow is generated from operations to fund the renewal program for 2024/25.

DISCUSSION

1. The Audit and Risk Committee met on 12 April 2024 and considered the following items:
 - 1.1. Item 6.1 - Climate Change Risk Adaptation Action Plan Quarterly Report
 - 1.2. Item 6.2 - Review of Asset Management Plans
 - 1.3. Item 6.3 - 2024/25 Business Plan & Budget - Update

Resolutions of the Committee

2. Item 6.1 - Climate Change Risk Adaptation Action Plan Quarterly Report

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress in the review of the Climate Change Risk Adaptation Action Plan 2021-2026 as described in Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024.
2. Notes the completion of six of twenty internal audit management actions as described in Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024.

3. Item 6.2 - Review of Asset Management Plans

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the draft Buildings Asset Management Plan as per Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024 and provides the following advice:
 - 1.1. More granularity should be provided in relation to how building ratings are summarised
 - 1.2. Details and forecasts in relation to the backlog of building renewal should be provided
 - 1.3. Community consultation statistics based on low sample number and is not meaningful
2. Receives the draft Park Lands and Open Space Asset Management Plan as per Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024 and provides the following advice
 - 2.1. Wording in relation to the surplus of funds available for renewal should be revised to ensure clarity on how funding is allocated.
3. Receives the draft Water Infrastructure Asset Management Plan as per Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024.
4. Receives the draft Public Lighting and Electrical Infrastructure Asset Management Plan as per Attachment D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024.
5. Notes the draft Buildings Asset Management Plan as per Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024 was endorsed by Council on 27 February 2024 for the purposes of public consultation.
6. Notes the draft Park Lands and Open Space Asset Management Plan, draft Water Infrastructure Asset Management Plan and draft Public Lighting and Electrical Infrastructure Asset Management Plan as per Attachments B, C and D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024 were endorsed by Council on 26 March 2024 for the purposes of public consultation.

Original Recommendation as printed in the Audit and Risk Committee Agenda

THAT THE AUDIT AND RISK COMMITTEE

1. *Receives the draft Buildings Asset Management Plan as per Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024 and provides the following advice*
 - 1.1. _____
2. *Receives the draft Park Lands and Open Space Asset Management Plan as per Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024 and provides the following advice*
 - 2.1. _____

3. *Receives the draft Water Infrastructure Asset Management Plan as per Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024 and provides the following advice*
 - 3.1. _____
4. *Receives the draft Public Lighting and Electrical Infrastructure Asset Management Plan as per Attachment D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024 and provides the following advice*
 - 4.1. _____
5. *Notes the draft Buildings Asset Management Plan as per Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024 was endorsed by Council on 27 February 2024 for the purposes of public consultation.*
6. *Notes the draft Park Lands and Open Space Asset Management Plan, draft Water Infrastructure Asset Management Plan and draft Public Lighting and Electrical Infrastructure Asset Management Plan as per Attachments B, C and D to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024 were endorsed by Council on 26 March 2024 for the purposes of public consultation.*

4. Item 6.3 - 2024/25 Business Plan & Budget – Update

THAT THE AUDIT AND RISK COMMITTEE

1. *Notes the underpinning principles and assumptions, and proposed operating and capital budgets for inclusion in the Draft 2024/25 Business Plan and Budget for the purpose of public consultation, as outlined in this report and in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee meeting held on 12 April 2024.*
2. *Provides feedback on the underpinning principles and assumptions, and proposed operating and capital budgets for inclusion in the Draft 2024/25 Business Plan and Budget for the purpose of public consultation, as outlined in this report and in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee meeting held on 12 April 2024.*

AND THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. *Notes the support of the Audit and Risk Committee for the Asset Renewal Repair Fund of \$4.582m resourced through a temporary increase in rates revenue for 2024/25 to deliver an Operating Surplus to ensure that adequate cash flow is generated from operations to fund the renewal program for 2024/25.*

Original Recommendation as printed in the Audit and Risk Committee Agenda

THAT THE AUDIT AND RISK COMMITTEE

1. *Notes the underpinning principles and assumptions, and proposed operating and capital budgets for inclusion in the Draft 2024/25 Business Plan and Budget for the purpose of public consultation, as outlined in this report and in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee meeting held on 12 April 2024.*
2. *Provides feedback on the underpinning principles and assumptions, and proposed operating and capital budgets for inclusion in the Draft 2024/25 Business Plan and Budget for the purpose of public consultation, as outlined in this report and in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee meeting held on 12 April 2024.*

AND THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. *Endorse the Asset Renewal Repair Fund of \$4.582m resourced through a temporary increase in rates revenue for 2024/25 to deliver an Operating Surplus of \$7.340m to ensure that adequate cash flow is generated from operations to fund the renewal program for 2024/25.*

DATA AND SUPPORTING INFORMATION

Link 1 - Public component of the Audit and Risk Committee Agenda – 12 April 2024

ATTACHMENTS

Nil

- END OF REPORT -