

# Recommendations of the Audit and Risk Committee

Tuesday, 26 November 2024  
Council

Strategic Alignment - Our Corporation

**Program Contact:**  
Kathryn Goldy, Acting Manager  
Governance

Public

**Approving Officer:**  
Martin Smallridge, 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. The Committee acts to facilitate informed decision making in relation to the discharge of Council's 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 meeting of 8 November 2024 ([Link 1](#)).

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

Item 6.3 - 2024/25 Business Plan & Budget Quarter 1 Update

## RECOMMENDATION

### 1. Recommendation 1 – Item 6.3 – 2024/25 Business Plan & Budget Quarter 1 Update

#### THAT COUNCIL

1. Receives the City of Adelaide 2024/25 Business Plan and Budget Quarter 1 Update as provided in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Approves adjustments for the 2024/25 Business Plan and Budget (BP&B) as identified in this report and reflected in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 30 September 2024, which includes:
  - 3.1. Total operating income of \$59.603m (\$0.788m higher than the budget of \$58.815m, for the period)
  - 3.2. Total operating expenses (including depreciation) of \$54.696m (\$1.264m higher than the budget of \$53.432m, for the period)
  - 3.3. An operating surplus of \$4.907m (\$0.476m lower than the budget of \$5.383m, for the period)
  - 3.4. Total Capital Expenditure of \$17.063m (\$0.266 higher than the budget of \$16.797m, for the period)
  - 3.5. Net cash surplus position of \$27.782m.

4. Approves the budgeted year end Operating Position, which includes:
    - 4.1. Total operating income of \$235.708m (\$0.483m higher than the adopted budget of \$235.225m)
    - 4.2. Total operating expenses (including depreciation) of \$226.341m (\$0.483m higher than the adopted budget of \$225.858)
    - 4.3. An operating surplus of \$9.367m (consistent with the adopted budget of \$0.9367m).
  5. Approves total capital expenditure of \$122.912m for 2024/25 year (\$10.081m higher than the adopted budget of \$112.831m).
  6. Approves total borrowings of \$23.733m projected to 30 June 2025 (\$29.944m lower than the adopted projected borrowings of \$53.677m to 30 June 2025).
  7. Receives the Council Subsidiary Q1 updates as provided as Attachments B, C, D and E to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
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# DISCUSSION

1. The Audit and Risk Committee met on 8 November 2024 and considered the following items:
  - 1.1. Item 6.1 - Contract Management Internal Audit – KPMG
  - 1.2. Item 6.2 - Culture Survey Review – KPMG
  - 1.3. Item 6.3 - 2024/25 Business Plan & Budget Quarter 1 Update
  - 1.4. Item 6.4 - Internal Audit Progress Report
  - 1.5. Item 6.5 - Record Keeping Internal Audit
  - 1.6. Item 6.6 - Audit and Risk Committee Self-Assessment Results
  - 1.7. Item 11.1 - Strategic Risk and Internal Audit Update (considered in confidence pursuant to s 90(3) (i) of the *Local Government Act 1999* (SA)).
2. The public component of the Agenda with reports for the meeting can be viewed at [Link 1](#).
3. Where the resolution of the Committee differs from the recommendation published in the Committee agenda, the Committee's recommendation to the Council is listed first, with the original recommendation provided in grey and italics.

## Resolutions of the Committee

4. Item 6.1 - Contract Management Internal Audit – KPMG

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Contract Management Internal Audit report provided as Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Endorses the response of the Administration to the Contract Management Internal Audit report as outlined in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
3. Notes that the Project Health Check Internal Audit (Capital Works) will be distributed to the Audit and Risk Committee Members.

Original Recommendation as printed in the Audit and Risk Committee Agenda

### THAT THE AUDIT AND RISK COMMITTEE

1. *Notes the Contract Management Internal Audit report provided as Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.*
2. *Endorses the response of the Administration to the Contract Management Internal Audit report as outlined in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.*

5. Item 6.2 - Culture Survey Review – KPMG

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Culture Survey Review Internal Audit report provided as Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Endorses the response of the Administration to the Culture Survey Review Internal Audit report as outlined in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
3. Notes that the 2024 Culture Survey has been undertaken and the Audit and Risk Committee seeks further information on the impact of the survey results on the Workforce Management Strategy.
4. Notes that a report against the progress regarding agreed management actions in relation to the Culture Survey Internal Audit and the impact on staff will be brought back to the Audit and Risk Committee.

Original Recommendation as printed in the Audit and Risk Committee Agenda

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Culture Survey Review Internal Audit report provided as Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Endorses the response of the Administration to the Culture Survey Review Internal Audit report as outlined in Attachment A to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.

6. Item 6.3 - 2024/25 Business Plan & Budget Quarter 1 Update

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Receives the City of Adelaide 2024/25 Business Plan and Budget Quarter 1 Update as provided in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Approves adjustments for the 2024/25 Business Plan and Budget (BP&B) as identified in this report and reflected in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 30 September 2024, which includes:
  - 3.1. Total operating income of \$59.603m (\$0.788m higher than the budget of \$58.815m, for the period)
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  - 3.3. An operating surplus of \$4.907m (\$0.476m lower than the budget of \$5.383m, for the period)
  - 3.4. Total Capital Expenditure of \$17.063m (\$0.266 higher than the budget of \$16.797m, for the period)
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4. Approves the budgeted year end Operating Position, which includes:
  - 4.1. Total operating income of \$235.708m (\$0.483m higher than the adopted budget of \$235.225m)
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  - 4.3. An operating surplus of \$9.367m (consistent with the adopted budget of \$0.9367m).
5. Approves total capital expenditure of \$122.912m for 2024/25 year (\$10.081m higher than the adopted budget of \$112.831m).
6. Approves total borrowings of \$23.733m projected to 30 June 2025 (\$29.944m lower than the adopted projected borrowings of \$53.677m to 30 June 2025).
7. Receives the Council Subsidiary Q1 updates as provided as Attachments B, C, D and E to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.

7. Item 6.4 - Internal Audit Progress Report

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as outlined in Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Notes the progress of the completion of Internal Audit Actions as outlined in Item 6.4 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.

8. Item 6.5 - Record Keeping Internal Audit

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the internal audit report provided as Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.

2. Endorses the responses of the Administration to the Record Keeping Internal Audit Report as outlined in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
9. Item 6.6 - Audit and Risk Committee Self-Assessment Results

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the results of the Audit and Risk Committee Self-Assessment 2024 outlined in Attachment A to Item 6.6 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.
2. Notes that the following actions will be considered by the Audit and Risk Committee at a future meeting of the Audit and Risk Committee:
  - 2.1. Briefing on the Future Fund;
  - 2.2. Workshops or briefings to be provided on any other key developments within the City of Adelaide and its subsidiaries such as AEDA and ACMA;
  - 2.3. To receive a presentation from the Strategic Risk and Internal Audit Group; and
  - 2.4. Investigate options for additional information to be included in the minutes of the meeting.

Original Recommendation as printed in the Audit and Risk Committee Agenda

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the results of the Audit and Risk Committee Self-Assessment 2024 outlined in Attachment A to Item 6.6 on the Agenda for the meeting of the Audit and Risk Committee held on 8 November 2024.

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## DATA AND SUPPORTING INFORMATION

**Link 1** – Public component of Agenda for the Audit and Risk Committee on 8 November 2024

**Link 2** – [Recommendation 1 – Item 6.3 – 2024/25 Business Plan & Budget Quarter 1 Update – Attachment A](#)

**Link 3** – [Recommendation 1 – Item 6.3 – 2024/25 Business Plan & Budget Quarter 1 Update – Attachment B](#)

**Link 4** – [Recommendation 1 – Item 6.3 – 2024/25 Business Plan & Budget Quarter 1 Update – Attachment C](#)

**Link 5** – [Recommendation 1 – Item 6.3 – 2024/25 Business Plan & Budget Quarter 1 Update – Attachment D](#)

**Link 6** – [Recommendation 1 – Item 6.3 – 2024/25 Business Plan & Budget Quarter 1 Update – Attachment E](#)

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## ATTACHMENTS

Nil

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- END OF REPORT -