

Recommendations of the Audit and Risk Committee

Tuesday, 11 March 2025
Council

Strategic Alignment - Our Corporation

Program Contact:
Kathryn Goldy, Acting Manager
Governance

Public

Approving Officer:
Anthony Spartalis, 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 21 February 2025 ([Link 1](#)).

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

Item 8.1 - 2024/25 Business Plan & Budget Quarter 2 Update

Item 8.6 - 2024-25 End of Year Financial Reporting Process & External Timetable

RECOMMENDATION

1. **Recommendation 1 - Item 8.1 - 2024/25 Business Plan & Budget Quarter 2 Update**

THAT COUNCIL

1. Receives the City of Adelaide 2024/25 Business Plan and Budget Quarter 2 Update as provided in Attachment A to Item 8.1 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
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 8.1 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 31 December 2024, which includes:
 - 3.1. Total operating revenue of \$119.775m (\$1.923m higher than the budget of \$117.851m, for the period)
 - 3.2. Total operating expenses (including depreciation) of \$108.046m (\$1.953m lower than the budget of \$109.999m, for the period)
 - 3.3. An operating surplus of \$11.729m (\$3.876m higher than the budget of \$7.852m, for the period)
 - 3.4. Total Capital Expenditure of \$37.529m (\$9.747m lower than the budget of \$47.275m, for the period)
 - 3.5. Net cash surplus position of \$20.999m.

4. Approves budgeted year end Operating Position, which includes:
 - 4.1. Total operating revenue of \$237.913m (\$2.205m higher than the Quarter 1 budget of \$235.708m)
 - 4.2. Total operating expenses (including depreciation) of \$228.546m (\$2.205m higher than the adopted budget of \$226.341m)
 - 4.3. An operating surplus/deficit of \$9.367m (consistent with the Quarter 1 budget of \$9.367m).
5. Approves total capital expenditure of \$121.043m for 2024/25 year (\$1.869m lower than the Quarter 1 budget of \$122.912m).
6. Approves total borrowings of \$20.373m projected to 30 June 2025 (\$3.360m lower than the Quarter 1 projected borrowings of \$23.733m to 30 June 2025).
7. Receives the Council Subsidiary Quarter 2 updates as provided as Attachments B, C, D and E to Item 8.1 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.

2. Recommendation 2 - Item 8.6 - 2024-25 End of Year Financial Reporting Process & External Timetable

THAT COUNCIL

1. Notes the endorsement by the Audit and Risk Committee that the external audit plan, as contained in Attachment A to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025, is consistent with the scope of the External Audit engagement and relevant legislation and standards.
2. Approves the proposed 2024-25 End of Year Financial Reporting process and external audit timetable as contained in Attachment A to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
3. Notes the external auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2025 as detailed in Attachment B to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
4. Approves the External Audit terms of engagement as contained in Attachment B and Attachment C to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
5. Authorises the certification of the financial statements, in their final form, to be signed by the Chief Executive Officer and the principal member of Council as set out in Part 4 (14) of the Regulations.

DISCUSSION

1. The Audit and Risk Committee met on 21 February 2025 and considered the following items:
 - 1.1. Item 6.1 - Strategic Risk and Internal Audit Group Presentation
 - 1.2. Item 7.1 - The 2025/26 BP&B - priorities, parameters, assumptions and current position
 - 1.3. Item 8.1 - 2024/25 Business Plan & Budget Quarter 2 Update
 - 1.4. Item 8.2 - Internal Audit Progress Report
 - 1.5. Item 8.3 - Archives Internal Audit
 - 1.6. Item 8.4 - Audit and Risk Committee Meeting Dates
 - 1.7. Item 8.5 - 2025 Audit and Risk Committee Work Plan
 - 1.8. Item 8.6 - 2024-25 End of Year Financial Reporting Process & External Timetable
2. 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 8.1 - 2024/25 Business Plan & Budget Quarter 2 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 2 Update as provided in Attachment A to Item 8.1 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
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 8.1 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 31 December 2024, which includes:
 - 3.1. Total operating revenue of \$119.775m (\$1.923m higher than the budget of \$117.851m, for the period)
 - 3.2. Total operating expenses (including depreciation) of \$108.046m (\$1.953m lower than the budget of \$109.999m, for the period)
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 - 3.4. Total Capital Expenditure of \$37.529m (\$9.747m lower than the budget of \$47.275m, for the period)
 - 3.5. Net cash surplus position of \$20.999m.
4. Approves budgeted year end Operating Position, which includes:
 - 4.1. Total operating revenue of \$237.913m (\$2.205m higher than the Quarter 1 budget of \$235.708m)
 - 4.2. Total operating expenses (including depreciation) of \$228.546m (\$2.205m higher than the adopted budget of \$226.341m)
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5. Approves total capital expenditure of \$121.043m for 2024/25 year (\$1.869m lower than the Quarter 1 budget of \$122.912m).
6. Approves total borrowings of \$20.373m projected to 30 June 2025 (\$3.360m lower than the Quarter 1 projected borrowings of \$23.733m to 30 June 2025).
7. Receives the Council Subsidiary Quarter 2 updates as provided as Attachments B, C, D and E to Item 8.1 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.

5. Item 8.2 - Internal Audit Progress Report

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as outlined in Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.

Notes the progress of the completion of Internal Audit Actions as outlined in Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.

6. Item 8.3 - Archives Internal Audit

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the Archives Internal Audit report provided in Attachment A to Item 8.3 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
2. Endorses the response of the Administration to the Archives Internal Audit report as outlined in Attachment A to Item 8.3 the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.

7. Item 8.4 - Audit and Risk Committee Meeting Dates

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 11 April 2025, starting at 9.00am;
 - 1.2. Friday 16 May 2025, starting at 9.00am;
 - 1.3. Friday 13 June 2025, starting at 9.00am;
 - 1.4. Friday 15 August 2025, starting at 9.00am;
 - 1.5. Wednesday 24 September 2025, starting at 9.00am;
 - 1.6. Friday 14 November 2025, starting at 9.00am; and
 - 1.7. Friday 13 February 2026, starting at 9.00am.

8. Item 8.5 - 2025 Audit and Risk Committee Work Plan

THAT THE AUDIT AND RISK COMMITTEE

1. Approves the Audit and Risk Committee work plan proposed for 2025 as contained in Attachment A to Item 8.5 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025, to guide Audit and Risk Committee activity during 2025.

9. Item 8.6 - 2024-25 End of Year Financial Reporting Process & External Timetable

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 A to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025, is consistent with the scope of the External Audit engagement and relevant legislation and standards.
2. Approves the proposed 2024-25 End of Year Financial Reporting process and external audit timetable as contained in Attachment A to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
3. Notes the external auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2025 as detailed in Attachment B to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
4. Approves the External Audit terms of engagement as contained in Attachment B and Attachment C to Item 8.6 on the Agenda for the meeting of the Audit and Risk Committee held on 21 February 2025.
5. Authorises the certification of the financial statements, in their final form, to be signed by the Chief Executive Officer and the principal member of Council as set out in Part 4 (14) of the Regulations.

DATA AND SUPPORTING INFORMATION

Link 1 – Agenda for the Audit and Risk Committee meeting held on 21 February 2025

Link 2 – [Recommendation 1 - Item 8.1 - 2024/25 Business Plan & Budget Quarter 2 Update – Attachment A](#)

Link 3 – [Recommendation 1 - Item 8.1 - 2024/25 Business Plan & Budget Quarter 2 Update – Attachment B](#)

Link 4 – [Recommendation 1 - Item 8.1 - 2024/25 Business Plan & Budget Quarter 2 Update – Attachment C](#)

Link 5 – [Recommendation 1 - Item 8.1 - 2024/25 Business Plan & Budget Quarter 2 Update – Attachment D](#)

Link 6 – [Recommendation 1 - Item 8.1 - 2024/25 Business Plan & Budget Quarter 2 Update – Attachment E](#)

Link 7 – [Recommendation 2 - Item 8.6 - 2024-25 End of Year Financial Reporting Process & External Timetable – Attachment A](#)

Link 8 – [Recommendation 2 - Item 8.6 - 2024-25 End of Year Financial Reporting Process & External Timetable – Attachment B](#)

Link 9 – [Recommendation 2 - Item 8.6 - 2024-25 End of Year Financial Reporting Process & External Timetable – Attachment C](#)

ATTACHMENTS

Nil

- END OF REPORT -