

Audit And Risk Committee Report - 30 September 2022

Tuesday, 11 October 2022
Council

Strategic Alignment - Enabling Priorities

Program Contact:
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Governance

Public

Approving Officer:
Amanda McIlroy - 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 met on Friday, 30 September 2022 and is required to report to Council after every meeting to identify and present advice and recommendations.

A precis of the matters considered by the Audit and Risk Committee is presented within this report.

The recommendations below are in response to the deliberations of the Audit and Risk Committee on:

- Audited Financial Statements & Report on Financial Results.

RECOMMENDATION

THAT COUNCIL

1. Report of the Audit and Risk Committee – 30 September 2022

THAT COUNCIL

1. Notes the report of the meeting of the Audit and Risk Committee held on 30 September 2022.

2. Audited Financial Statements & Report on Financial Results

THAT COUNCIL

1. Considers that the Consolidated Financial Statements present fairly the financial position of the City of Adelaide, having reviewed the Consolidated Financial Statements for 2021-22, contained in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.
2. Receives the City of Adelaide's Consolidated Financial Statements for 2021-22, contained in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, subject to minor administrative changes and subsequent balance date event adjustments, to be certified by the Chief Executive Officer and the Lord Mayor.
3. Considers it is appropriate that the representation letter requested by the external auditor, contained in Attachment B to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
4. Notes the Certification of Auditor Independence contained in Attachment C to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
5. Notes the audited Adelaide Central Market Authority Financial Statements for 2021-22 as contained in Attachment D to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on

30 September 2022, have been reviewed by the Adelaide Central Market Authority Board at its meeting on 22 September 2022. These financial results have been included in the Consolidated Financial Statements of the City of Adelaide and:

- 5.1. Considers the Financial Statements for 2021-22 present fairly the financial position of the Adelaide Central Market Authority.
- 5.2. Considers it is appropriate that the representation letter requested by the external auditor of the Adelaide Central Market Authority, contained in Attachment F to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
- 5.3. Notes the Certification of Auditor Independence in relation to Adelaide Central Market Authority, contained in Attachment E to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 is signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
- 5.4. Notes the representation letter requested by the external auditor of the Central Market Marketing Fund, contained in Attachment H to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
- 5.5. Notes the audited Central Market Marketing Fund (CMMF) Financial Statements for 2021-22 as contained in Attachment G to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, have been audited and present fairly the position of the CMMF.
6. Notes the Adelaide Economic Development Agency Financial Statements for 2021-22, contained in Attachment I to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, have been reviewed by the Adelaide Economic Development Agency Board at its meeting on 26 September 2022. These financial results are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 6.1. Considers the Financial Statements for 2021-22 present fairly the financial position of the Adelaide Economic Development Agency.
 - 6.2. Notes the Certification of Auditor Independence in relation to Adelaide Economic Development Agency, contained in Attachment J to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 is signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
 - 6.3. Notes the representation letter requested by the external auditor of the Adelaide Economic Development Agency, contained in Attachment K to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
7. Notes the Adelaide Park Lands Authority Financial Statements for 2021-22, contained in Attachment L to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 7.1. Considers the Financial Statements for 2021-22 present fairly the financial position of the Adelaide Park Lands Authority and can be certified by the Lord Mayor as Chair of Adelaide Park Lands Authority.
 - 7.2. Considers it is appropriate that the representation letter requested by the external auditor of the Adelaide Park Lands Authority, contained in Attachment M to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
 - 7.3. Notes the Certification of Auditor Independence in relation to the Adelaide Park Lands Authority, contained in Attachment N to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, and considers it is appropriate to be signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
8. Notes the Brown Hill and Keswick Creeks Stormwater Board's Financial Statements for 2021-22 as contained in Attachment O to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022. Council's equity interest of 8% is included in the Consolidated Financial Statements of the City of Adelaide.

9. Recommends the 2021-22 Consolidated Financial Statements of the City of Adelaide, and the Financial Statements of the Adelaide Park Lands Authority, Adelaide Central Market Authority and, Brown Hill and Keswick Creeks Stormwater Board be presented to Council for noting on 11 October 2022 and inclusion in the adopted Annual Report.
 10. Notes the 2021-22 Report on the financial results for the City of Adelaide and its subsidiaries, contained in Attachments P, Q, R and S to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.
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DISCUSSION

1. The Audit and Risk Committee met on Friday, 30 September 2022. The Agenda with reports for the public component of the meeting can be viewed [here](#).
2. The following matters were subject of deliberations:

2.1. Matters Arising from External Audit

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the 'City of Adelaide Annual Completion Report for the year ended 30 June 2022' from Council's external auditors, BDO, contained in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held 30 September 2022.
2. Notes the 'Adelaide Central Market Authority Annual Completion Report for the year ended 30 June 2022' from Council's external auditors, BDO, contained in Attachment B to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held 30 September 2022.

2.2. Audited Financial Statements & Report on Financial Results

THAT COUNCIL

1. Considers that the Consolidated Financial Statements present fairly the financial position of the City of Adelaide, having reviewed the Consolidated Financial Statements for 2021-22, contained in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.
2. Receives the City of Adelaide's Consolidated Financial Statements for 2021-22, contained in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, subject to minor administrative changes and subsequent balance date event adjustments, to be certified by the Chief Executive Officer and the Lord Mayor.
3. Considers it is appropriate that the representation letter requested by the external auditor, contained in Attachment B to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
4. Notes the Certification of Auditor Independence contained in Attachment C to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
5. Notes the audited Adelaide Central Market Authority Financial Statements for 2021-22 as contained in Attachment D to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, have been reviewed by the Adelaide Central Market Authority Board at its meeting on 22 September 2022. These financial results have been included in the Consolidated Financial Statements of the City of Adelaide and:
 - 5.1. Considers the Financial Statements for 2021-22 present fairly the financial position of the Adelaide Central Market Authority.
 - 5.2. Considers it is appropriate that the representation letter requested by the external auditor of the Adelaide Central Market Authority, contained in Attachment F to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
 - 5.3. Notes the Certification of Auditor Independence in relation to Adelaide Central Market Authority, contained in Attachment E to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 is signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
 - 5.4. Notes the representation letter requested by the external auditor of the Central Market Marketing Fund, contained in Attachment H to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
 - 5.5. Notes the audited Central Market Marketing Fund (CMMF) Financial Statements for 2021-22 as contained in Attachment G to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, have been audited and present fairly the position of the CMMF.

6. Notes the Adelaide Economic Development Agency Financial Statements for 2021-22, contained in Attachment I to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, have been reviewed by the Adelaide Economic Development Agency Board at its meeting on 26 September 2022. These financial results are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 6.1. Considers the Financial Statements for 2021-22 present fairly the financial position of the Adelaide Economic Development Agency.
 - 6.2. Notes the Certification of Auditor Independence in relation to Adelaide Economic Development Agency, contained in Attachment J to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 is signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
 - 6.3. Notes the representation letter requested by the external auditor of the Adelaide Economic Development Agency, contained in Attachment K to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
7. Notes the Adelaide Park Lands Authority Financial Statements for 2021-22, contained in Attachment L to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 7.1. Considers the Financial Statements for 2021-22 present fairly the financial position of the Adelaide Park Lands Authority and can be certified by the Lord Mayor as Chair of Adelaide Park Lands Authority.
 - 7.2. Considers it is appropriate that the representation letter requested by the external auditor of the Adelaide Park Lands Authority, contained in Attachment M to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
 - 7.3. Notes the Certification of Auditor Independence in relation to the Adelaide Park Lands Authority, contained in Attachment N to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, and considers it is appropriate to be signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
8. Notes the Brown Hill and Keswick Creeks Stormwater Board's Financial Statements for 2021-22 as contained in Attachment O to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022. Council's equity interest of 8% is included in the Consolidated Financial Statements of the City of Adelaide.
9. Recommends the 2021-22 Consolidated Financial Statements of the City of Adelaide, and the Financial Statements of the Adelaide Park Lands Authority, Adelaide Central Market Authority and, Brown Hill and Keswick Creeks Stormwater Board be presented to Council for noting on 11 October 2022 and inclusion in the adopted Annual Report.
10. Notes the 2021-22 Report on the financial results for the City of Adelaide and its subsidiaries, contained in Attachments P, Q, R and S to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.

2.3. Review Council's Annual Report

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the draft City of Adelaide Annual Report 2021-2022 as provided in Attachment A to Item 5.3 on the Agenda for the meeting of Audit and Risk Committee held on 30 September 2022.
2. Notes the draft Adelaide Central Market Authority Annual Report 2021-2022 as provided in Attachment B to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.
3. Notes the draft Adelaide Economic Development Agency Annual Report 2021-2022 as provided in Attachment C to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.
4. Notes the draft Kadaltilla / Park Lands Authority Annual Report 2021-2022 as provided in Attachment D to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.

5. Notes the draft Brown Hill and Keswick Creeks Stormwater Board Annual Report 2021-2022 as provided in Attachment E to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.

2.4. Confidential Meeting with External Auditors

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

In accordance with Section 91 (7) & (9) of the Local Government Act 1999 (SA) (the Act) and because Item 10.1 listed on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 was received, discussed and considered in confidence pursuant to Section 90(3)(b) of the Act, this meeting of the Audit and Risk Committee do order that:

1. 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. The confidentiality of the matter be reviewed in December 2023.
3. The Chief Executive Officer be delegated the 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 -