

Appointment of Council Members to Audit and Risk Committee

Tuesday, 13 December 2022
Council

Strategic Alignment - Enabling Priorities

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Public

Approving Officer:
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EXECUTIVE SUMMARY

At the governance workshop on 6 December 2022, Council considered options for its governance framework and the Council/Core Committee structure that will best support Council in the 2022-2026 term.

The City of Adelaide Audit and Risk Committee will continue to operate pursuant to Section 126 of the *Local Government Act 1999 (SA)* with six members, comprising:

- 1.1. The Lord Mayor
- 1.2. One Councillor
- 1.3. Four external independent members (two members are appointed until November 2023 and two members are appointed until September 2025).

Proxy members for the Lord Mayor and the Council Member may be appointed by the Council, with proxies able to act for either the Lord Mayor or the Council Member.

This report seeks the appointment of a Council Member and two proxy members to the City of Adelaide Audit and Risk Committee for a two year period, commencing 14 December 2022.

RECOMMENDATION

THAT COUNCIL

1. Notes the continuing operation of the City of Adelaide Audit and Risk Committee pursuant to Section 126 of the *Local Government Act 1999 (SA)*.
2. Notes the Terms of Reference for the City of Adelaide Audit and Risk Committee, set out in Attachment A to Item 10.3 on the Agenda for the meeting of Council held on 13 December 2022, and delegates authority to the Chief Executive Officer to alter content to reflect matters determined by the Council at its meeting on 13 December 2022.
3. Delegates to the City of Adelaide Audit and Risk Committee, in accordance with Section 44 of the *Local Government Act 1999 (SA)*:
 - 3.1. Responsibility to undertake the functions identified in Section 126 of the *Local Government Act 1999 (SA)* and as set out in the City of Adelaide Audit and Risk Committee's Terms of Reference.
 - 3.2. The authority to determine the date and time of meetings (at least six per year) to be held in the Colonel Light Room, Adelaide Town Hall with the authority, after liaison with the Presiding Member, for the Chief Executive Officer to vary the meeting schedule.
4. Approves the following appointments to the City of Adelaide Audit and Risk Committee:
 - 4.1. Appointment of one Councillor for a two year period commencing 14 December 2022 and concluding 14 December 2024.

- 4.2. Appointment of two Councillors as proxy members, to act for either the Lord Mayor or the appointed Council Member, for a two year period commencing 14 December 2022 and concluding 14 December 2024.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Enabling Priorities Consideration of Council’s Governance structure aligns with the Strategic Plan goal to continually improve our governance and maximise community benefit
Policy	Not as a result of this report
Consultation	Discussion with Council Members commenced at the governance session on 6 December 2022
Resource	Not as a result of this report
Risk / Legal / Legislative	The Audit and Risk Committee will meet and conduct business in accordance with the relevant provisions of the <i>Local Government Act 1999 (SA)</i> and its regulations, the Corporation of the City of Adelaide Standing Orders (where applicable) and the City of Adelaide Audit and Risk Terms of Reference.
Opportunities	Not as a result of this report
22/23 Budget Allocation	Sitting fees have been included as part of the 22/23 budget.
Proposed 23/24 Budget Allocation	Sitting fees will be included as part of the 23/24 budget.
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
22/23 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. Discussions with Council Members on the best framework and Council/Core Committee structure to support Council in the 2022-2026 term are continuing and will be the subject of a future report to Council.
2. The City of Adelaide Audit and Risk Committee is established for the purpose of addressing legislative functions outlined in Section 126 of the *Local Government Act 1999 (SA)* which include:
 - 2.1. Reviewing annual financial statements to ensure that they present fairly the state of affairs of the Council
 - 2.2. Proposing and providing information relevant to a review of the Council's strategic management plans or annual business plan
 - 2.3. Proposing and reviewing the exercise of powers under Section 130A of the *Local Government Act 1999 (SA)*
 - 2.4. Liaising with the Council's auditor
 - 2.5. Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis.
3. The City of Adelaide Audit and Risk Committee meets at least six times per year with a membership of six comprising the Lord Mayor, one Councillor, four external independent members and two proxy members (City of Adelaide Council Members).
4. To facilitate continuity of membership, one independent member (Paula Davies) and the Presiding Member (David Powell) is appointed until November 2023 and two independent members (Simon Rodger and John Oliver) is appointed until September 2025.
5. 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 to facilitate informed decision making.
6. The Audit and Risk Committee will continue to provide oversight on the approach taken by the Council and management to address risk, financial governance and legal compliance responsibilities in the areas of:
 - 5.1. Financial Reporting
 - 5.2. Internal Controls and Risk Management Systems
 - 5.3. Management Plans and Business Plans
 - 5.4. Internal Audit
 - 5.5. External Audit
 - 5.6. Other Functions as required
7. The Audit and Risk Committee Terms of Reference in **Attachment A** to this report remain current. The terms of reference were reviewed in 2021 by the Audit and Risk Committee and Council in response to the *Statutes Amendment (Local Government Review) Act 2021* and adopted in by Council in October 2021. Clause 15.3 of the Terms of Reference will be updated to reflect changes to the *Local Government Act 1999 (SA)* and commencement of the Behavioural Management Standards.

ATTACHMENTS

Attachment A – City of Adelaide Audit and Risk Committee Terms of Reference

- END OF REPORT -