

Minutes of the meeting of the Audit and Risk Committee of the City of Holdfast Bay held in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton on Wednesday 16 October 2024 at 6:00pm.

PRESENT

Members

Councillor R Snewin
Ms P Davies
Ms C Garrett
Mr D Powell

Staff

A/Chief Executive Officer – Ms P Jackson
General Manager Strategy and Corporate – Ms S Wachtel
Manager Finance – Mr C Blunt
Manager Finance Alwyndor – Mr R Mirzaev
Manager Engineering – Mr J Mitchell
Climate and Utilities Data Officer – Mr C Ling

Guests

Ms Samantha Creten, Director - Dean Newbery
Ms Whitney Sandow, Senior Auditor – Dean Newbery

1. OPENING

The Acting Chief Executive Officer declared the meeting open at 6.00pm.

2. APPOINTMENT OF PRESIDING MEMBER

The Audit and Risk Committee's Terms of Reference provide that it may nominate any member of the Committee to be its presiding member (other than the Mayor).

Motion

That the Audit and Risk Committee appoints Councillor Snewin as Presiding Member for this meeting.

Moved by P Davies, Seconded by D Powell

Carried

3. KAURNA ACKNOWLEDGEMENT

We acknowledge Kaurna people as the traditional owners and custodians of this land.

We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kaurna People today.

4. APOLOGIES

- 4.1 Apologies Received - Councillor J Smedley
- 4.2 Absent

5. DECLARATION OF INTEREST

Members were reminded to declare their interest before each item.

6. CONFIRMATION OF MINUTES**Motion**

That the minutes of the Audit and Risk Committee held on 14 August 2024 be taken as read and confirmed.

Moved by D Powell, Seconded by C Garrett

Carried

7. ACTION ITEMS

The Action Items were tabled and discussed.

8. IN CAMERA SESSION**8.1 External Auditors Annual Reflection**

External Auditors Dean Newbery provided an annual reflection to the Audit and Risk Committee members.

Motion – Exclusion of the Public (Section 90(3)(g) Order

1. **That pursuant to Section 90(2) of the *Local Government Act 1999* the Audit and Risk Committee hereby orders that the public and council staff be excluded from attendance at this meeting in order to consider Item 8.1 – External Auditors Annual Reflection discussion in confidence.**
2. **That in accordance with Section 90(3) of the *Local Government Act 1999* the Audit and Risk Committee is satisfied that it is necessary that the public and council staff be excluded to consider the information discussed in confidence on the following grounds:**
 - g. **pursuant to section 90(3)(g) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information concerning matters that must be considered in confidence in order to ensure that the Council does not breach any other legal obligation or duty in that clause 17B(a) of the *Local Government (Financial Management) Regulations 2011* requires that the Audit and Risk Committee must liaise with the council's auditor on at least one occasion each year on a confidential basis.**

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

3. The Audit and Risk Committee is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved P Davies, Seconded D Powell

Carried

Leave of the Meeting

The Presiding Member sought leave of the meeting to move Item 11.1 **Electricity Procurement by Power Purchase Agreement** in the Agenda to be considered after Item 8.1.

Leave of the meeting was granted.

11. CONFIDENTIAL ITEMS

11.1 Electricity Procurement by Power Purchase Agreement (Report No: 339/24)

Motion – Exclusion of the Public (Section 90(3)(d (i)) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* the Audit and Risk Committee hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 339/24 Electricity Procurement by Power Purchase Agreement in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* the Audit and Risk Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 339/24 Electricity Procurement by Power Purchase Agreement on the following grounds:
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party by supplying financial and energy market details disclosed in the feasibility study.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public

interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

3. The Audit and Risk Committee is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved C Garrett, Seconded D Powell

Carried

Motion - RETAIN IN CONFIDENCE - Section 91(7) Order

That having considered Agenda Item 11.1 Report No: 339/24 Electricity Procurement by Power Purchase Agreement in confidence under section 90(2) and (3)(d(i)) of the *Local Government Act 1999*, the Audit and Risk Committee, pursuant to section 91(7) of that Act orders that the report and attachments be retained in confidence for a period of 12 months and/or the Chief Executive Officer is authorised to release the documents when a new energy contract is signed and that this order be reviewed every 12 months.

Moved D Powell, Seconded C Garrett

Carried

9. **REPORTS BY OFFICERS**

9.1 **Standing Items** (Report No: 328/24)

The Audit and Risk Committee is provided with a report on standing items at each ordinary meeting.

Motion

That the Audit and Risk Committee advises Council it has received and considered a Standing Items Report addressing:

- **Monthly Financial Statements**
- **External Audit**
- **Public Interest Disclosures**
- **Economy and Efficiency Audits**
- **Council Recommendations**
- **Audit and Risk Committee meeting schedule**

Moved C Garrett, Seconded D Powell

Carried

9.2 **Internal Audit** (Report No: 329/24)

The risk-based audits scheduled for the Internal Audit Program 2023-24 have commenced, with the program attached to this report for further information.

In addition, the 'Audit Recommendations Outstanding Actions Update' is attached in three parts, highlighting those actions that are either completed, in progress or not yet implemented.

Motion

That the Audit and Risk Committee notes this report.

Moved C Garrett, Seconded P Davies

Carried

9.3 **2023-24 General Purpose Financial Statements** (Report No: 330/24)

The financial statements for the year ended 30 June 2024 have been completed and audited by council's audit firm, Dean Newbery, who have indicated that an unqualified audit opinion will be provided and that there are no material issues arising from the audit. They are presented to the Audit and Risk Committee for review.

Motion

That the Audit and Risk Committee informs Council it has reviewed the General Purpose Financial Reports for the year ending 30 June 2024, as required under section 126(4)(a) of the *Local Government Act 1999*, and found them to present fairly the state of affairs of the council as required under the *Local Government (Financial Management) Regulations 2011*.

Moved P Davies, Seconded C Garrett

Carried

9.4 **2023-24 Draft Annual Report** (Report No: 332/24)

Council's Annual Report is a legislative requirement under section 131 of the *Local Government Act 1999*. The information contained within the publication provides legislators and the community with assurance that the City of Holdfast Bay is meeting its strategic and governance requirements. The publication also provides a detailed overview of the council's services and achievements during the year.

The 2023-24 Annual Report has been prepared to meet all statutory requirements. The Report shows that council has continued to deliver quality and improved services and facilities to its community.

Motion

That the Audit and Risk Committee recommends that Council adopts the 2023-24 Annual Report, which appears as Attachment 1 to this report, subject to design and minor alterations and the inclusion of the audited financial statements of Council along with those of Council's regional subsidiary, the Southern Region Waste Resource Authority.

Moved C Garrett, Seconded D Powell

Carried

9.5 **End of Financial Year Debtors** (Report No: 331/24)

This report is to provide Audit and Risk Committee with an annual update in relation to outstanding balances in Rates Debtors and Sundry Debtors in line with end of year financial statements.

Motion

That the Audit and Risk Committee notes this report.

Moved P Davies, Seconded D Powell

Carried

9.6 **Strategic Plan Review** (Report No: 336/24)

Section 122(4)(b) of the *Local Government Act 1999* (the Act) requires that Council “undertake a comprehensive review of its strategic management plans within two years after each general election of the council”.

A review of *Our Holdfast 2050+* has commenced, however, pursuant to section 126 (4) (b) of the Act, the “functions of a council audit and risk committee include...proposing, and providing information relevant to, a review of the council's strategic management plans.”

As the last general election was in November 2022, a review must be completed before the end of November 2024. The Audit and Risk Committee was invited to provide any comments or input to the review, before a report is finalised and presented to Council in November.

Motion

That the Audit and Risk Committee advises Council it has:

1. **noted the progress of the review of the Strategic Plan, *Our Holdfast 2050+*; and**
2. **has provided input to the Review Report.**

Moved C Garrett, Seconded D Powell

Carried

9.7 **Asset Management Plans** (Report No: 338/24)

The *Local Government Act (1999)* requires Council to review its Asset Management Plans (AMPs) prior to November 2024.

The Asset Management Plans have been reviewed and updated to include the latest asset condition and inventory data. The Asset Management Strategy was developed for consultation as it is a new organisational document.

Public consultation was undertaken from 29 August to 19 September 2024 in line with legislated requirements.

This report discusses the public consultation findings and document updates for Council endorsement.

Motion**That the Audit and Risk Committee:**

- 1. notes the community consultation report and updates to the asset management documentation; and**
- 2. recommends the Asset Management Plans and Asset Management Strategy for endorsement by Council.**

Moved P Davies, Seconded D Powell

Carried**9.8 Treasury Management Policy (Report No: 337/24)**

Council's current Treasury Management Policy is due for review. This policy supports the financial principle of managing debt and cash in a holistic manner to minimise financial risk. No changes have been made to the content of the existing policy, however, with Council's level of debt budgeted to increase significantly it is timely that this document be reviewed by the Audit and Risk Committee.

Motion**That the Audit and Risk Committee notes this report.**

Moved C Garrett, Seconded D Powell

Carried**9.9 Council Public Interest Disclosure Policy (Report No: 335/24)**

The current Council Public Interest Disclosure Policy is out of date (endorsed previously by Council on 9 July 2019 - C090719/1547) and is required to be reviewed due to significant legislative amendments.

Motion**That the Audit and Risk Committee endorses the Public Interest Disclosure Policy, for presentation and adoption by Council.**

Moved D Powell, Seconded P Davies

Carried**9.10 Annual Work Health and Safety Program Review (Report No: 333/24)**

This report has been developed to provide the Audit and Risk Committee with an overview of the Work Health and Safety (WHS) management system's performance in respect to legislative obligations under the WHS Act (SA) 2012 and ReturntoWorkSA Performance Standards for Self-Insured (PSSI) Employers.

Planned activities have been completed to schedule to address identified non-conformances and other improvements identified as part of audits undertaken by the Local Government Association Workers Compensation Scheme (LGAWCS). Planning for the next period will commence in October to implement additional system improvements as part of continuous improvement.

Motion**That the Audit and Risk Committee notes this report.**

Moved P Davies, Seconded D Powell

Carried9.11 **Terms of Reference** (Report No: 334/24)

Under the *Local Government Act 1999*, Council is required to establish an Audit and Risk Committee to perform the functions outlined in section 126. In accordance with section 41 of the Act, Council initially formed an Audit Committee in 2007, which was re-designated as the Audit and Risk Committee in 2022.

The Strategy and Governance team recently completed an annual review of the Terms of Reference, confirming that minimal amendments were necessary, and the document remains unchanged apart from the inclusion of a mechanism for review of independent members after serving two terms.

Motion**That the item be deferred to the next Audit and Risk Committee meeting to consider recommended changes.**

Moved D Powell, Seconded C Garrett

Carried**10. URGENT BUSINESS – SUBJECT TO THE LEAVE OF THE MEETING**

10.1 Nil

12. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit and Risk Committee will be held on Wednesday 12 February 2025 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

13. CLOSURE

The Meeting closed at 7.57pm.

CONFIRMED 12 February 2025**PRESIDING MEMBER**