

Minutes of the meeting of the Audit Committee of the City of Holdfast Bay held via Electronic Means in a Virtual Meeting Room on Wednesday 25 August 2021 at 6:00pm.

PRESENT VIA VISUAL AND AUDIO PRESENCE

Members

Presiding Member – Councillor J Smedley
Mr D Powell
Mr S Tu
Ms P Davies

Staff

Chief Executive Officer – Mr R Bria
General Manager Strategy and Corporate – Ms P Jackson
General Manager Alwyndor – Ms B Davidson-Park
Manager Finance – Mr J Newton
Financial Manager – Ms L Humphrey
Finance Manager, Alwyndor Management Committee – Mr D Capurro

Guests

Internal Audit Director, Galpins - Tim Muhlhausler

1. OPENING

The Chairman declared the meeting open at 6.04pm.

2. APOLOGIES

- 2.1 Apologies Received - Councillor R Snewin
- 2.2 Absent - Nil

3. DECLARATION OF INTEREST

Members were reminded to declare their interest before each item.

4. CONFIRMATION OF MINUTES

Motion

That the minutes of the Audit Committee held on 30 June 2021 be taken as read and confirmed.

Moved Mr Powell, Seconded Ms Davies

Carried

5. ACTION ITEMS

The Action Items were tabled and discussed.

6. REPORTS BY OFFICERS

6.1 Standing Items – August 2021 (Report No: 270/21)

The Audit Committee was provided with a report on standing items at the meeting.

Motion

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

- **Monthly Financial Statements**
- **Risk Management and Internal control**
- **Audit – External/Internal/Cyber Security**
- **Disaster Recovery Plans**
- **Public Interest Disclosures – previously Whistle-Blowing**
- **Economy and Efficiency Audits**
- **Audit Committee Meeting Schedule**

RETAIN IN CONFIDENCE - Section 91(7) Order

2. **That having considered Agenda Item 7.1 Standing Items – June 2021 in confidence under Section 90(2) and (3)(e) of the Local Government Act 1999, the Audit Committee, pursuant to Section 91(7) of that Act orders that Attachment 3 be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.**

Moved by Mr Tu, Seconded Ms Davies

Carried

Mr Muhlhausler left virtual meeting at 6.35pm.

6.2 Internal Audit Policy and Procedure (Report No: 164/21)

In June 2021, Council's Internal Auditor, Galpins, submitted an *Internal Audit Report – Recommendations Follow Up* which assessed the control environment in place to ensure the implementation of previous audit recommendations (the Report). The Report, including management responses, was provided as part of the Standing Items Report.

The Report identified one matter of high risk and three moderate risk issues. In response to the recommendations made in the Report, a policy and procedure was drafted and internal roles and responsibilities were clarified.

Motion**That the Audit Committee:**

1. **supports the draft Internal Audit Policy and Internal Audit Procedure to be submitted to Council for approval; and**
2. **notes the steps taken to address the recommendations in the Report.**

Moved Mr Powell, Seconded Mr Tu

Carried**6.3 Risk Report (Report No: 276/21)**

The City of Holdfast Bay (Council) needs to ensure that it has appropriate risk management in place. In accordance with Council's Risk Management Framework, Governance manages the Strategic and Operational Risk Registers.

As required under the Risk Management Framework, all strategic risks regardless of rating are reported to the Audit Committee, as are all Extreme and High operational risks.

Since the last Audit Committee meeting, progress comments were reviewed and updated in the Strategic Risk Register. The Operational Risk Register was reviewed against the updated Consequence Table, resulting in a shift in Council's risk profile.

A more detailed review of both Registers will be undertaken in late September/early October.

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

Moved Mr Powell, Seconded Ms Davies

Carried**6.4 Internal Audit Plan 2021-22 (Report No: 277/21)**

In collaboration with Council's Internal Auditor, Galpins, an Internal Audit Plan for 2021-22 (the Plan) was developed and was provided for the Audit Committee's endorsement. The Plan was developed using a risk-based approach, focussing on risks with a high or medium residual risk rating.

Motion**That the Audit Committee endorses the 2021-22 Internal Audit Plan as outlined in this Report.**

Moved Mr Tu, Seconded Ms Davies

Carried

6.5 ***Statutes Amendment (Local Government Review) Act 2021 and Regulations*** (Report No: 278/21)

The *Statutes Amendment (Local Government Review) Act 2021* (the Review Act) is an Act to amend the *Local Government Act 1999*, the *Local Government (Elections) Act 1999*, the *City of Adelaide Act 1998* and to make small amendments to various other Acts related to the system of local government in South Australia.

The Review Act was assented to by the Governor on 17 June 2021. The Local Government Association (LGA) has been working closely with the Office of Local Government on a commencement timeline, which includes a first round of proclamations in August 2021, with a number of those provisions due to commence on proclamation. These sections are largely matters where council won't need to take specific action to update documents, policies or provide training. Reforms relating to Local Government Elections are also expected to be proclaimed in August, with a proposed commencement of November 2021. Timing of the commencement of the balance of sections in the Review Act is less clear, although proclamation is expected prior to the end of the calendar year. The LGA has undertaken to provide training and resources for Councils to assist in implementation.

On 23 July 2021, the LGA advised that the Office for Local Government is seeking feedback on a number of draft Regulations which will support the commencement of changes to the *Local Government Act 1999* and *Local Government (Elections) Act 1999* in August 2021. No comments are recommended on this round of Regulations, as they are not expected to impose additional policy or significant operational burdens on Council.

Provisions relating to the role and functions of the Audit Committee are subject to the drafting of further Regulations and are not expected to commence until November 2023.

Motion

That the Audit Committee notes this report.

Moved Mr Powell, Seconded Ms Davies

Carried

7. URGENT BUSINESS – SUBJECT TO THE LEAVE OF THE MEETING - Nil

8. CONFIDENTIAL ITEMS**8.1 Loan Receivables (Report: 269/21)****Motion - Exclusion of the Public – Section 90(3)(d) Order**

- 1** That pursuant to Section 90(2) of the *Local Government Act 1999* Audit Committee hereby orders that the public be excluded from attendance at this meeting with the exception of the Staff in attendance at the meeting in order to consider Report No: 269/21 Loan Receivables in confidence.
- 2.** That in accordance with Section 90(3) of the *Local Government Act 1999* Audit Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 269/21 Loan Receivables 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, as this would prejudice the commercial position who supplied the information.

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 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 Ms Davies, Seconded Mr Tu

Carried

RETAIN IN CONFIDENCE - Section 91(7) Order

That having considered Agenda Item 9.1 Loan Receivables (Report No: 269/21) in confidence under Section 90(2) and (3)(d) of the *Local Government Act 1999*, the Audit Committee, pursuant to Section 91(7) of that Act orders that the report, be retained in confidence for a period of six months and the Chief Executive Officer is authorised to release the documents when the Audited Financial Statements are presented to Council.

Moved Ms Davies, Seconded Mr Tu

Carried

9. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit Committee will be held on Wednesday 20 October 2021 in the Mawson Room, Civic Centre, 24 Jetty Road, Brighton.

10. CLOSURE

The Meeting closed at 7.05 pm.

CONFIRMED 20 OCTOBER 2021

PRESIDING MEMBER