

MINUTES

of the

Audit Committee Meeting

of the



**Adelaide
Plains
Council**

Pursuant to the provisions of section 88 (1) of the
Local Government Act 1999

HELD

by electronic means

on

Tuesday 2 February 2021 at 4.00pm

The Chairperson formally declared the meeting open at 4.01pm.

1. ATTENDANCE AND WELCOME

1.1 Present

Mr Alan Rushbrook (Chairperson)

By audio-visual link

Mr Peter Fairlie-Jones

By audio-visual link

Mayor Mark Wasley

By audio-visual link

Also in Attendance by audio-visual link

Chief Executive Officer

Mr James Miller

Acting General Manager – Governance and Executive Office

Ms Alyssa Denicola

General Manager – Finance and Business

Mr Rajith Udugampola

General Manager – Infrastructure and Environment

Mr Thomas Jones

General Manager – Development and Community

Mr Darren Starr

WHS and Risk Officer

Ms Angie-Marie Fuss

Administration and Executive Support Officer/Minute Taker

Ms Stacie Shrubsole

IT Support Officer

Mr Sean Murphy

Local Government Consultant & Chief Internal Audit Executive,
UHY Haines Norton

Ms Corinne Garrett

1.2 Apologies:

Deputy Mayor Marcus Strudwicke

Councillor Margherita Panella

2. CONFIRMATION OF MINUTES

2.1 Confirmation of Minutes – Meeting held 16 November 2020

Committee Resolution

Moved Mayor Wasley

Seconded

Mr Fairlie-Jones

2021/ 001

“that the minutes of the Audit Committee Meeting held on Monday 16 November 2020 (MB Folios 160 to 165, inclusive), be accepted as read and confirmed.”

CARRIED**3. BUSINESS ARISING**

Nil

4. DECLARATION OF MEMBERS' INTERESTS

Nil

5. ADJOURNED BUSINESS

Nil

6. REPORTS FOR DECISION

6.1 Rates Review – Draft Discussion Paper

Ms Corinne Garrett, HY Haines Norton, took questions from the Audit Committee in relation to Item 6.1 – Rates Review – Draft Discussion Paper

Committee Resolution

Moved Mr Fairlie-Jones

Seconded

Mayor Wasley

2021/ 002

“that the Audit Committee, having considered Item 6.1 – Rates Review – Draft Discussion Paper, dated 2 February 2021, receives and notes the report.”

CARRIED UNANIMOUSLY

Ms Corinne Garrett left the meeting at 4.42pm and did not return.

6.2 2021/2022 Annual Business Plan, Budget and 2022-2031 Long Term Financial Plan Development Framework

Committee Resolution

Moved Mr Fairlie-Jones Seconded Mayor Wasley 2021/ 003

“that the Audit Committee, having considered Item 6.2 – 2021/2022 Annual Business Plan, Budget and 2022-2031 Long Term Financial Plan Development Framework, dated 2 February 2021, receives and notes the report and in doing so acknowledges Council’s recent decision to:

1. **Endorse the schedule, set out in Table 2 within this Report, as the process to be undertaken in the preparation of the 2021/2022 Annual Business Plan, 2021/2022 Budget and the review of 10-Year Long Term Financial Plan subject to any date changes that the Chief Executive Officer determines necessary; and**
2. **Endorse the following budget parameters and assumptions for the purpose of preparing the draft 2021/2022 Annual Business Plan and Budget.**
 - Rates modelling based on 1.25% increase in average existing rates (subject to the outcome of the Rates Review)
 - The Recurrent Operating Budget be prepared based on “business as usual” basis;
 - Maximum Material, Contracts and Other Expenses cost escalation be set at 1.25% in the absence of any other reliable way of estimating such expenses;
 - Salaries and wages to be determined as per the outcome of the Enterprise Bargaining Agreement negotiations and additional budget bids for labour resourcing;
 - Fees and charges not set by legislation and decided by the Council be increased by 1.25% as a minimum;
 - New Capital Projects to be considered and approved within the constraints of the LTFP;
 - New services and one off projects to be funded through Rate Revenue increases or by expenditure savings;
 - New capital projects are funded through a mixture of rate increases, expenditure savings, new grant funding and long term borrowings; and
 - Council will continue to review its operations to identify costs savings and productivity improvements.”

CARRIED

6.3 Update on Audit Committee Annual Work Program 2020-2021

Committee Resolution

Moved Mayor Wasley Seconded Mr Fairlie-Jones 2021/ 004

“that the Audit Committee, having considered Item 6.3 – Update on Audit Committee Annual Work Program 2020-2021, dated 2 February 2021, receives and notes the report and in doing so recommends to the Council that the Council acknowledges the progress made to complete the activities identified for Audit Committee during 2020/2021 Financial Year.”

CARRIED

6.4 Review of Internal Financial Controls Policy

Committee Resolution

Moved Mr Fairlie-Jones Seconded Mayor Wasley 2021/ 005

"that the Audit Committee, having considered Item 6.4 – Review of Internal Financial Controls Policy, dated 2 February 2021, receives and notes the report and in doing so recommends to the Council that the Internal Financial Controls Policy reviewed in February 2021 as presented in Attachment 1 to this report, be adopted at its February 2021 Ordinary meeting."

CARRIED

6.5 Review of Land Under Roads Policy

Committee Resolution

Moved Mayor Wasley Seconded Mr Fairlie-Jones 2021/ 006

"that the Audit Committee, having considered Item 6.5 – Review of Land Under Roads Policy, dated 2 February 2021, receives and notes the report and in doing so recommends to the Council that the Land Under Roads Policy reviewed in February 2021 as presented in Attachment 1 to this report, be adopted at its February 2021 Ordinary meeting."

CARRIED

7. REPORTS FOR INFORMATION

7.1 Committee Resolutions

Committee Resolution

Moved Mr Fairlie-Jones Seconded Mayor Wasley 2021/ 007

"that the Audit Committee, having considered Item 7.1 – Committee Resolutions, dated 2 February 2021, receives and notes the report."

7.2 Risk Management Progress Update

Committee Resolution

Moved Mayor Wasley Seconded Mr Fairlie-Jones 2021/ 008

"that the Audit Committee, having considered Item 7.2 – Risk Management System Update, dated 2 February 2021, receives and notes the report."

CARRIED

7.3 Financial Performance for the period July-December 2020

Committee Resolution

Moved Mr Fairlie-Jones Seconded Mayor Wasley 2021/ 009

“that the Audit Committee, having considered Item 7.3 – *Financial Performance for the period July- December 2020*, dated 2 February 2021, receives and notes the report.”

CARRIED

7.4 Update on Overdue Council Rates

Committee Resolution

Moved Mayor Wasley Seconded Mr Fairlie-Jones 2021/ 010

“that the Audit Committee, having considered Item 7.4 – *Update on Overdue Council Rates*, dated 2 February 2021, receives and notes the report.”

CARRIED

7.5 Gawler River Floodplain Management Projects – State Government Budget Commitment and Gawler River Floodplain Management Authority Charter Review Update

Committee Resolution

Moved Mayor Wasley Seconded Mr Fairlie-Jones 2021/ 011

“that the Audit Committee, having considered Item 7.5 – *Gawler River Floodplain Management Projects – State Government Budget Commitment and Gawler River Floodplain Management Authority Charter Review Update*, dated 2 February 2021, receives and notes the report.”

CARRIED

The Chief Executive Officer gave a 5 minute verbal address in relation to Council’s recent decisions to seek State and Federal grant funding.

Committee Resolution

Moved Mr Fairlie-Jones Seconded Mayor Wasley 2021/ 012

“that the Audit Committee acknowledge the verbal address by the Chief Executive Officer in relation to Council’s recent decision to secure significant State and Federal Grant Funds.”

CARRIED

8. CONFIDENTIAL ITEMS

8.1 Appointment of External Auditor

Committee Resolution

Moved Mayor Wasley

Seconded Mr Fairlie-Jones

2021/ 013

“that:

1. Pursuant to section 90(2) of the *Local Government Act 1999*, the Audit Committee orders that all members of the public, except Chief Executive Officer, General Manager - Finance and Business, Acting General Manager Governance and Executive Office, Administration and Executive Support Officer/Minute Taker and Information Technology Support Officer be excluded from attendance at the meeting of the Audit Committee for Agenda Item 8.1 – *Appointment of External Auditor*;
2. Audit Committee is satisfied that, pursuant to section 90(3)(d) of the *Local Government Act 1999*, Item 8.1 – *Appointment of External Auditor* contains commercial information of a confidential nature (not being a trade secret), being proposals for service, 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 and disclosure would, on balance, be contrary to the public interest; and
3. Audit Committee is satisfied that the principle that Audit Committee meetings should be conducted in a place open to the public has been outweighed by the need to keep the information, matter and discussion confidential.”

CARRIED

8.1 **Committee Resolution**

Moved Mr Fairlie-Jones

Seconded Mayor Wasley

2021/ 014

“that the Audit Committee, having considered Item 8.1 – *Appointment of External Auditor*, dated 2 February 2021, receives and notes the report and in doing so recommends to Council that it:

1. Acknowledges that the proposed fee structure for Galpins is appropriate to enable an adequate audit to be conducted;
 2. Appoints Tim Muhlhausler of Galpins Accountants, Auditors & Business Consultants for the provision of external audit services for a period of three (3) financial years commencing with the audit for the financial year ending 30 June 2021, with an option of right to renew for a further period of two (2) X one (1) year extensions; and
- Instructs the Chief Executive Officer be delegated to execute all required documentation to give effect to Council’s appointment of the external auditor.”

CARRIED UNANIMOUSLY

8.1 **Committee Resolution**

Moved Mayor Wasley

Seconded Mr Fairlie-Jones

2021/ 015

“that the Audit Committee, having considered the matter of Item 8.1 – *Appointment of External Auditor* in confidence under sections 90(2) and 90(3)(d) of the *Local Government Act 1999*, resolves that:

1. The agenda report and the minutes of this meeting pertaining to Agenda Item 8.1 – *Appointment of External Auditor* remain confidential and not available for public inspection until all consultants who submitted a proposal have been notified in writing of Council’s decision;
2. Attachments 1 to 5 and any other associated information submitted to this meeting pertaining to Agenda Item 8.1 – *Appointment of External Auditor* remain confidential and not available for public inspection until further order of the Council;
3. Pursuant to section 91(9)(a) of the *Local Government Act 1999*, the confidentiality of the matter will be reviewed every 12 months; and
4. Pursuant to section 91(9)(c) of the *Local Government Act 1999*, Audit Committee delegates the power to revoke this confidentiality order to the Chief Executive Officer.”

CARRIED

9. **GENERAL BUSINESS**

Nil

10. **NEXT MEETING**

Monday 12 April 2021 at 4.30pm

11. **CLOSURE**

There being no further business, the Chairperson declared the meeting closed at 6.11pm

Confirmed as a true record.

Chairperson:.....

Date: ___/___/___