

Minutes of the meeting of the Audit Committee of the City of Holdfast Bay held in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton on Wednesday 21 April 2021 at 6:00pm.

PRESENT

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 Business Services – Ms P Jackson
General Manager Alwyndor – Ms B Davidson-Park
Manager Finance – Mr J Newton
Financial Manager, Alwyndor – Ms L Humphrey

Guests

Janna Burnham – Director of Internal Audit, Galpins
Tim Muhlhauser – Partner, Galpins

1. OPENING

The Chairman declared the meeting open at 6.00pm.

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 10 February 2021 be taken as read and confirmed.

Moved by Ms Davies, Seconded by Mr Powell

Carried

5. ACTION ITEMS

The Action Items were tabled and discussed.

6. PRESENTATIONS – Nil

7. REPORTS BY OFFICERS

Conflict of Interest

Mr Powell declared a perceived conflict of interest for Item 7.1 Standing Items – April 2021. The nature of the perceived conflict of interest (pursuant to Section 73 and 74 of the *Local Government Act 1999* is that he provides consultancy services to Galpins for work that does not include the City of Holdfast Bay.

Mr Powell dealt with the perceived conflict of interest by making it know to the Committee and remaining in the meeting as he was acting in the best interests of the community.

7.1 Standing Items – April 2021 (Report No: 115/21)

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**
- **Public Interest Disclosures – previously Whistle-Blowing**
- **Economy and efficiency audits**
- **Governance Framework – Alwyndor**
- **Review of Council Report Templates**
- **Audit Committee Meeting Schedule and Membership**

RETAIN IN CONFIDENCE - Section 91(7) Order

2. **That having considered Agenda Item 7.1 Standing Items – April 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 Mr Tu, Seconded Mr Powell

Carried

Leave of the Meeting

The Presiding member sought leave of the meeting to propose that Item 7.4 Risk Management Framework – Review (Report No: 121/21) be considered after Item 7.1.

Leave of the meeting was granted.

7.4 **Risk Management Framework - Review** (Report No: 121/21)

The City of Holdfast Bay (Council) needs to ensure that it has appropriate risk management. 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 risks on the Operational Risk Register.

Motion

That the Audit Committee receives and notes the report and that further work be undertaken on the Risk Framework and brought back to the Committee.

Moved Ms Davies, Seconded Mr Powell

Carried

7.2 **Draft 2021-22 Annual Business Plan and Budget** (Report No: 114/21)

The draft 2021-22 budget was presented to Council at workshops on 16 March, 23 March and 6 April 2021. It was developed on the assumptions and parameters discussed at a Council workshop held on 2 March 2021. The draft budget satisfies Council's financial sustainability and performance measures.

Pursuant to its term of reference, the Audit Committee had an opportunity to review the assumptions, parameters and outcomes providing comments to Council in relation to the draft budget and associated Annual Business Plan.

Motion

That the Audit Committee support the draft 2021-22 Annual Business Plan, as presented, for presentation to Council for the purpose of public consultation.

Moved Mr Powell, Seconded Ms Davies

Carried

7.3 **Draft Entertainment and Hospitality and Corporate Credit Card Policy and Procedures** (Report No: 116/21)

During 2020, examinations were conducted into a number of Councils by both the Auditor-General and the South Australian Ombudsman in the areas of entertainment, credit card use and management. The examinations identified

expenditure in the sensitive areas of entertainment, hospitality, staff support and travel. The reports concluded that current policies and procedures in the areas of credit card use and entertainment expenditure are essential for the responsible use of public money. Accordingly draft policies covering these areas were prepared and updated for the Committee's consideration.

Motion

That the Audit Committee advises Council:

- 1. it has received and reviewed the draft Entertainment and Hospitality and Corporate Credit Card Policies included in Attachment 1 and 3 to this report;**
- 2. it supports the draft Entertainment and Hospitality and Corporate Credit Card Policies for subsequent policy adoption by Council; and**
- 3. notes the Draft Entertainment and Hospitality and Corporate Credit Card procedure documents included in Attachment 2 and 4 to this report.**

Moved Mr Tu, Seconded Ms Davies

Carried

Item 7.4 Risk Management Framework – Review was considered after Item 7.1 as per leave of the meeting granted.

7.5 Procurement Policy (Report No: 122/21)

Council's Procurement Policy became due for review in late 2020. A review was undertaken and substantial changes were made to the policy in relation to threshold amounts for purchasing processes and criteria for preferencing suppliers in certain cases, as well as a general refresh of the content.

On 29 October 2020, the Local Government Association Annual General Meeting adopted a resolution in relation to a pilot circular economy project, which created the need for additional changes to the Procurement Policy.

Endorsement was sought from the Audit Committee prior to the Policy being submitted to Council for approval.

Motion

That the Audit Committee advises Council:

- 1. it has received and reviewed the revised Procurement Policy (Attachment 1) for subsequent policy adoption by Council; and**
- 2. it supports the revised Procurement Policy for subsequent policy and adoption by Council.**

Moved Mr Powell, Seconded Mr Tu

Carried

7.6 **Risk Management – Strategic and Operational Risk Report** (Report No: 123/21)

The City of Holdfast Bay (Council) needs to ensure that it has appropriate risk management. 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 risks on the Operational Risk Register.

Motion

That the Audit Committee receives and notes the Strategic and Operational Risks as identified in this report.

Moved Mr Tu, Seconded Mr Powell

Carried

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

8. CONFIDENTIAL ITEMS

8.1 Alwyndor Draft Budget 2021/22 (Report No: 125/21)

Motion – Exclusion of the Public – Section 90(3)(b, c &d)) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* the Audit 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: 125/21 - Alwyndor Draft Budget 2021/22 Plan in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* the Audit Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 125/21 - Alwyndor Draft Budget 2021/22 on the following grounds:

- b. pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business or proposing to conduct business.

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.

- c. Pursuant to Section 90(3)(c) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which would reveal a Trade Secret.

- 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 prejudice the commercial position of the person 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, in 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 Powell

Carried

Motion

That the Audit Committee:

1. Received and noted the draft 2021/22 Alwyndor budget without comment.
2. Received and noted the draft Alwyndor Long Term Financial Plan without comment.

RETAIN IN CONFIDENCE - Section 91(7) Order

3. That having considered Report No: 125/21 Alwyndor Draft Budget 2021/22 in confidence under section 90(2) and (3)(b,c &d) of the Local Government Act 1999, the Audit Committee, pursuant to section 91(7) of the Act orders that the Attachment be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.

Moved Ms Davies, Seconded Mr Tu

Carried

9. NEXT MEETING

The next meeting of the Audit Committee will be held on Wednesday 2 June in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

10. CLOSURE

The Meeting closed at 8.29 pm.

CONFIRMED 2 JUNE 2021

PRESIDING MEMBER