

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 17 August 2022 at 5:30pm.

PRESENT VIA VISUAL AND AUDIO PRESENCE

Members

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

Staff

Chief Executive Officer – R Bria
General Manager Strategy and Corporate – P Jackson
General Manager Alwyndor – B Davidson-Park
General Manager Assets and Delivery – M de Heus
Manager Finance – J Newton
Management Accountant – C Blunt
Manager Strategy and Governance – A Karzek
Manager Engineering – J Mitchell
Manager Finance, Alwyndor – D Capurro

Guest

Ms Janna Burnham, Director of Internal Audit, Galpins

1. OPENING

The Chairman declared the meeting open at 5.33pm.

2. APOLOGIES

2.1 Apologies Received

2.2 Absent

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 1 June 2022 be taken as read and confirmed.

Moved by D Powell, Seconded by R Snewin

Carried

5. ACTION ITEMS

The Action Items were tabled and discussed.

6. PRESENTATIONS

6.1 Nil

7. REPORTS BY OFFICERS

7.1 **Standing Items** (Report No: 341/22)

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

Motion

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

- **Monthly Financial Statements**
- **Audit – External**
- **Public Interest Disclosures**
- **Economy and Efficiency Audits**
- **Essential Services Commission of South Australia Framework and Approach**
- **Council Recommendations**
- **Audit Committee Meeting Schedule**

Moved S Tu, Seconded P Davies

Carried

7.2 **Internal Audit Program Report** (Report No: 343/22)

Of the six risk-based audits outlined for 2021/22, all have now been completed, with the Asset Management and Financial Control Reviews for Council and Alwyndor having recently been finalised. Copies of these audit reports are provided as Attachments 2, 3 and 4, respectively.

A proposed internal audit program for 2022/23 is provided as Attachment 5.

Motion

That the Audit Committee:

- 1. notes this report, and**
- 2. endorses the 2022/23 Internal Audit Program as provided in Attachment 5.**

Moved S Tu, Seconded P Davies

Carried

7.3 **Risk Report** (Report No: 344/22)

A review of the Strategic Risk Register and high operational risks was undertaken in line with ISO31000 (2018), to ensure an accurate reflection of the current risk management position across the business as a whole, scoping both business risks and opportunities.

The environmental scan, used to identify new and emerging areas of both risk and opportunity, is scheduled for its quarterly update later in August and will therefore be presented within the Risk Report at the next meeting.

Motion

That the Audit Committee notes this report.

Moved D Powell, Seconded R Snewin

Carried

7.4 **Carbon Neutral Plan** (Report No: 340/22)

The development and implementation of a Carbon Neutral Plan is one of a number of treatment actions that reduce our climate risk from High to Medium. This report provides details of Council's Carbon Neutral Plan including the costs and risks associated with offsetting carbon emissions in the future.

Motion

That the Audit Committee recommends to Council:

1. to approve the Carbon Neutral Plan for Council operations to be carbon neutral for Scope 1 and 2 emissions by 2030; and
2. to review the feasibility and cost of offsets in 2026/27 financial year in preparation for 2030.

Moved D Powell, Seconded P Davies

Carried

7.5 **Annual Review of Investments** (Report No: 342/22)

Section 140 of the *Local Government Act 1999* (the Act) requires Council to review the performance of its investments on an annual basis. This report explains the process for investing funds, amount of funds invested during 2021/22, average interest rate earned and investment performance against budget for Council's municipal activities.

Motion

That the Audit Committee receives and notes this report comprising a performance review of 2021/22 municipal investments, as required under Section 140 of the *Local Government Act 1999*.

Moved S Tu, Seconded R Snewin

Carried

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

9. **CONFIDENTIAL ITEMS**

9.1 **Alwyndor Investment Portfolio** (Report No: 347/22)

Motion - Exclusion of the Public – Section 90(3)(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 347/22 Alwyndor Investment Portfolio 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: 347/22 Alwyndor Investment Portfolio 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 confer a commercial advantage on a third party.

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 R Snewin, Seconded D Powell

Carried

Motion

RETAIN IN CONFIDENCE - Section 91(7) Order

That having considered Agenda Item 9.1 Alwyndor Investment Portfolio (Report No: 347/22) 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 and minutes be retained in confidence for a period of 12 months and that this order be reviewed every 12 months.

Moved D Powell, Seconded S Tu

Carried

- 9.2 **Cyber Security** (Report No: 346/22)

Motion - Exclusion of the Public – Section 90(3)(e) 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: 346/22 Cyber Security 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: 346/22 on the following grounds:
 - e. pursuant to section 90(3)(e) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is related to matters affecting the security of the Council in that cyber security matters will be discussed.

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.

Moved P Davies, Seconded D Powell

Carried

Motion

RETAIN IN CONFIDENCE - Section 91(7) Order

That having considered Agenda Item 9.2 Cyber Security (Report No. 346/22) 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 the report, attachment and minutes be retained in confidence for a period of at least three years and that this order be reviewed every 12 months.

Moved S Tu, Seconded D Powell

Carried

9.3 **Loan Receivables** (Report No: 345/22)

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: 345/22 Loan Receivables 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: 345/22 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 S Tu, Seconded P Davies

Carried

Motion

RETAIN IN CONFIDENCE - Section 91(7) Order

That having considered Agenda Item 9.3 Loan Receivables (Report No: 345/22) 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, attachment and minutes, 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 R Snewin, Seconded S Tu

Carried

10. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit Committee will be held on Wednesday 12 October 2022 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

11. CLOSURE

The Meeting closed at 7.04 pm.

CONFIRMED 12 OCTOBER 2022

PRESIDING MEMBER