

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 17 FEBRUARY 2020
63 MT BARKER ROAD STIRLING**

In Attendance

Members:

Cr Malcolm Herrmann	Presiding Member
Peter Brass	Independent Member
David Moffatt	Independent Member
Paula Davies	Independent Member
Councillor Leith Mudge	Council Member

In Attendance:

Andrew Aitken	Chief Executive Officer
Peter Bice	Director Infrastructure & Operations
Lachlan Miller	Executive Manager Governance & Performance
Mike Carey	Manager Financial Services
David Collins	Manager Sustainable Assets
James Sinden	Manager ICT
Sharon Leith	Sustainability Officer

1. COMMENCEMENT

The meeting commenced at 6.00pm.

2. APOLOGIES/LEAVE OF ABSENCE

2.1. Apology

Nil

2.2. Leave of Absence

Nil

2.3. Absent

Nil

Presiding Member _____ 25 May 2020

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3. MINUTES OF PREVIOUS MEETINGS

3.1. Audit Committee Meeting – 18 November 2019

Moved Peter Brass
S/- Paula Davies

1/AC20

That the minutes of the Ordinary Council meeting held on 18 November 2019 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

Carried

4. Delegation of Authority

In accordance with the Audit Committee Terms of Reference, the Committee has no delegated decision-making powers. The Recommendations in Items 6.1, 7.2, 7.5, 7.6, 7.8 and 7.11 are to be submitted to Council for consideration.

5. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF AUDIT COMMITTEE

Nil

6. MOTION ON NOTICE

6.1. Cyber Security

Moved Cr Leith Mudge
S/- Paula Davies

2/AC20

I move the Audit Committee recommends to the Council that:

Given the increasing number of cyber security threats that are being reported, that the Audit Committee recommends to Council the following:

1. Council acknowledge that cyber security threats are serious issues that have the potential to significantly impact on Council operations and therefore a need to ensure that risk mitigation systems are in place, resourced & managed in line with Strategic and Operational Management Plans.
2. The Strategic Internal Plan 2018/19-2022/23 is amended to set the scope for the Cyber Security Audit to be "Focusing on the cyber security risks to the Council, undertake an assessment of the adequacy of the control framework including an

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assessment against the maturity levels of the Australian Cyber Security Centre's Essential Eight Model."

3. The Cyber Security Audit currently scheduled for Q2 2020/21 be bought forward such that it can be performed as soon as is reasonably practicable.

Carried Unanimously

7. OFFICER REPORTS – DECISION ITEMS

Leave of the meeting was granted to bring Item 7.2, Climate Change Adaptation Governance & Risk Assessment and Item 7.3, Update on Asset Management Planning, forward on the agenda.

7.2 Climate Change Adaptation Governance & Risk Assessment

Moved Cr Leith Mudge
S/- Paula Davies

3/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. That the Audit Committee recommends this report is presented to Council for information.
3. That the Audit Committee Work Plan be amended to provide for a biannual status report on the implementation of the Climate Change Adaptation Governance Assessment Report - July 2019.

Carried Unanimously

7.3 Update on Asset Management Planning

Moved Peter Brass
S/- David Moffatt

4/AC20

The Audit Committee resolves

1. That the report be received and noted.
2. That, subject to no objections being raised by the External Auditor to the proposed approach, the Committee encourages the Administration in implementing the Opportunities for Improvement identified in the *Asset Management and Valuation Review Report* contained in Appendix 2.

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Carried

7.1. Action Report & Work Plan Update

Moved Peter Brass
S/- David Moffatt

5/AC20

The Audit Committee resolves:

1. The report be received and noted.
2. That the 2020 Work Plan V1.1, at Appendix 3 be adopted.

Carried

7.2. Climate Change Adaptation Governance & Risk Assessment

This item was considered earlier in the agenda.

7.3. Update on Asset Management Planning

This item was considered earlier in the agenda.

7.4. Quarterly Council Performance Report – Q2

Moved Cr Leith Mudge
S/- Peter Brass

6/AC20

The Audit Committee resolves that the report be received and noted.

Carried

7.5. 2019-20 Budget Review 2

Moved Cr Leith Mudge
S/- Paula Davies

7/AC20

The Audit Committee:

1. Resolves that the report be received and noted.

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2. Recommends to Council:
- a. That the Operating Budget variations presented in Budget Review 2 result in no change to the Operating Surplus of \$411k for the 2019-20 financial year.
 - b. The proposed deferral of capital project income of \$1m and expenditure of \$496k to the 2020-21 financial year.
 - c. That the proposed operating and capital adjustments result in Council's current Net Borrowing Result of \$3.433m increasing to \$3.938m for the 2019-20 financial year.

Carried Unanimously

7.6. Long Term Financial Plan Review

Moved Cr Leith Mudge
S/- Paula Davies

8/AC20

The Audit Committee:

1. Receives and notes the report.
2. Notes the updated Long Term Financial Plan.
3. Recommends Council endorse the Long Term Financial Plan, as contained in Appendix 1 for community consultation in accordance with *Section 122 of the Local Government Act 1999*.

Carried

7.7. Debtors Report

Moved Peter Brass
S/- David Moffatt

9/AC20

The Audit Committee resolves that the report be received and noted.

Carried

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7.8. Draft Fraud, Corruption, Misconduct and Maladministration Policy

Moved Peter Brass
S/- Paula Davies

10/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. That the Audit Committee recommends to Council to adopt the draft *Fraud, Corruption, Misconduct and Maladministration Policy* as per Appendix 1.

Carried Unanimously

7.9. Risk Management Plan – Quarterly Update

Moved Paula Davies
S/- Cr Leith Mudge

11/AC20

The Audit Committee resolves that the report be received and noted.

Carried

7.10. LGRS Risk Evaluation 2019 Results

Moved Peter Brass
S/- Paula Davies

12/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. That the 17 December 2019 *LGRS Risk Evaluation Summary Report* contained in Appendix 1 be noted.
3. That, as per the Audit Committee's 2020 Workplan, the *LGRS Risk Evaluation Summary Report Action Plan* is presented to the May 2020 Audit Committee Meeting.

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Carried

7.11. 2019/20 External Audit Plan

Moved Peter Brass
S/- Paula Davies

13/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. To recommend to Council the approval of the *2019/20 External Audit Plan* by Galpins Accountants, Auditors and Business Consultants as contained in Appendix 1.

Carried Unanimously

7.12. Internal Audit Quarterly Update

Moved David Moffatt
S/- Cr Leith Mudge

14/AC20

The Audit Committee resolves to receive and note the report.

Carried Unanimously

7.13. Audit Actions Implementation Update

Moved Peter Brass
S/- Cr Leith Mudge

15/AC20

The Audit Committee resolves:

1. To receive and note the report.
2. To note the implementation status of Internal and External Audit actions.

Carried Unanimously

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7.14. Audit Committee Presiding Members Report 2019

**Moved Peter Brass
S/- David Moffatt**

16/AC20

That the report be received and noted.

Carried

7.15. Audit Committee Meeting

**Moved Cr Malcolm Herrmann
S/- Cr Leith Mudge**

17/AC20

That the May Audit Committee Meeting be Monday 25 May 2020 (moved from 18 May 2020).

Carried

8. NEXT MEETING

The next ordinary meeting of the Audit Committee will be held on Monday 20 April 2020 from 6.00pm at 36 Nairne Road, Woodside.

9. CLOSE MEETING

The meeting closed at 8.12pm.