

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 23 MAY 2022
63 MT BARKER ROAD STIRLING**

In Attendance

Members:

Cr Malcolm Herrmann	Presiding Member
Peter Brass	Independent Member
Natalie Johnston	Independent Member
Cr Leith Mudge	Council Member

In Attendance:

Andrew Aitken	Chief Executive Officer
Lachlan Miller	Executive Manager Governance & Performance
James Sinden	Manager Information Services
Mike Carey	Manager Financial Services
Phil Mattingly	Team Leader ICT
Steven Watson	Governance and Risk Coordinator Minute Taker

Guests in Attendance:

Tim Muhlhausler - Apology	Galpins
Juliano Fretias	Galpins

1. COMMENCEMENT

The meeting commenced at 6.30pm.

1.1. Acknowledgement of Country

Council acknowledges that we meet on the traditional lands and waters of the Peramangk and Kurna people. We pay our respects to Elders past, present and emerging as the Custodians of this ancient and beautiful land. Together we will care for this country for the generations to come.

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 23 MAY 2022
63 MT BARKER ROAD STIRLING**

2. APOLOGIES/LEAVE OF ABSENCE

2.1. Apology

David Moffatt

2.2. Leave of Absence

Nil

2.3. Absent

Nil

3. MINUTES OF PREVIOUS MEETINGS

3.1. Audit Committee Meeting – 20 April 2022

Moved Peter Brass
S/- Natalie Johnston

AC26/22

That the minutes of the Audit Committee meeting held on 20 April 2022 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 **Item(s) 7.4, 7.5, 7.7** are to be submitted to Council for consideration.

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

Nil

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 23 MAY 2022
63 MT BARKER ROAD STIRLING**

6. PRESENTATIONS, ACTION REPORT & WORKPLAN

6.1. External Audit Interim Letter – Galpins

Moved Peter Brass
S/- Cr Leith Mudge

AC27/22

The Audit Committee thanked Galpins for their presentation.

Carried

Leave of the meeting was sought and granted to bring Item 7.1 forward.

7.1 Internal Financial Controls & IT Entity Controls Review – Interim Management Letter

Moved Cr Leith Mudge
S/- Natalie Johnston

AC28/22

The Audit Committee resolves:

1. That the report be received and noted
2. Notes the communication received from Galpins from their Interim visit relating to the 2021-22 Financial Controls Review and the Management Responses to their findings from the Interim Audit, as contained in Appendix 1.
3. Notes the communication received from Galpins from their Interim visit relating to the 2021-22 IT Entity Level Controls Review and the Management Responses to their findings from the Interim Audit. As contained in Appendix 2.

Carried Unanimously

6.2. Corporate Services Directorate Risk Presentation

This item was withdrawn and will be rescheduled to another Audit Committee meeting.

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 23 MAY 2022
63 MT BARKER ROAD STIRLING**

6.3. Phil Mattingly, Team Leader ICT, Cyber Security Presentation – Exclusion of the Public

Moved Natalie Johnston

S/- Peter Brass

AC29/22

Pursuant to section 90(2) of the *Local Government Act 1999* the Audit Committee (the Committee) orders that all members of the public, except:

- CEO, Andrew Aitken
- Executive Manager Governance & Risk, Lachlan Miller
- Manager Financial Services, Mike Carey
- Manager Information Systems, James Sinden
- Team Leader ICT, Phil Mattingly
- Governance & Risk Coordinator, Steven Watson

be excluded from attendance at the meeting for Agenda Item 6.3: (Phil Mattingly, Team Leader ICT, Cyber Security Presentation) in confidence.

The Committee is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified in (a) above, be excluded to enable the Committee to consider the report at the meeting on the following grounds:

Section 90(3)(e) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this Agenda Item is matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person, the disclosure of which could reasonably be expected to create an awareness of Council's cyber security vulnerabilities and potentially lead to exploitation of those vulnerabilities resulting in loss/damage to information, breach of confidentiality and service continuity disruption.

Accordingly, on this basis the principle that meetings of the Committee should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

Carried

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 23 MAY 2022
63 MT BARKER ROAD STIRLING**

6.3.1. Phil Mattingly, Team Leader ICT, Cyber Security Presentation

Moved Natalie Johnston

S/- Peter Brass

AC30/22

The Audit Committee thanked the Team Leader ICT for the presentation.

Carried

6.4. Action Report and Work Plan Update

Moved Cr Malcolm Herrmann

S/- Cr Leith Mudge

AC31/22

- 1. That the report be received and noted.**
- 2. That the status of the Action Report and Work Plan be noted.**

Carried Unanimously

7. OFFICER REPORTS – DECISION ITEMS

7.1. Internal Financial Controls & IT Entity Controls Review – Interim Management Letter

This item was considered earlier in the meeting.

7.2. Internal Financial Controls Update

Moved Peter Brass

S/- Natalie Johnston

AC32/22

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

Carried Unanimously

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 23 MAY 2022
63 MT BARKER ROAD STIRLING**

7.3. End of Year Reporting Timetable 2021-22

Moved Natalie Johnston

S/- Peter Brass

AC33/22

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

Carried Unanimously

7.4. 2021-22 Budget Review 3

Moved Peter Brass

S/- Cr Leith Mudge

AC34/22

The Audit Committee resolves:

1. That the report be received and noted
2. To recommend to Council the proposed budget adjustments presented in Budget Review 3 which result in:
 - a. An increase in the Operating Surplus from \$1.546m to \$1.607m for the 2021-22 financial year.
 - b. Changes to Capital Works, reducing capital income by \$4.250m and reducing capital expenditure by \$146k for the 2021-22 financial year resulting in a revised capital expenditure budget for 2021-22 of \$21.836m.
 - c. An increase in Council's current Net Borrowing Result from \$2.572m to \$6.615m for the 2021-22 financial year as a result of the proposed operating and capital adjustments.

Carried Unanimously

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 23 MAY 2022
63 MT BARKER ROAD STIRLING**

7.5. Revised Draft Annual Business Plan 2022-2023

Moved Cr Leith Mudge

S/- Peter Brass

AC35/22

The Audit Committee resolves:

1. That the report be received and noted
2. To advise Council that the Committee has reviewed the revised draft *Annual Business Plan 2022-23 – May 2022* (ABP), as contained in Appendix 1, in terms of the assumptions underpinning the Plan, its consistency with the Strategic Management Plans and the adequacy of the plans in the context of maintaining financial sustainability and does not raise any significant concerns.

Carried Unanimously

7.6. Risk Management Plan Update

Moved Natalie Johnston

S/- Peter Brass

AC36/22

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

Carried Unanimously

7.7. Internal Audit Quarterly Report

Moved Peter Brass

S/- Cr Leith Mudge

AC37/22

The Audit Committee resolves:

1. That the report be received and noted
2. To recommend to Council to adopt the revised Strategic Internal Audit Plan v1.10a as contained in Appendix 1.

Carried Unanimously

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 23 MAY 2022
63 MT BARKER ROAD STIRLING**

8. CONFIDENTIAL ITEMS

8.1. Cyber Security Audit – Implementation Status

This item was withdrawn.

9. NEXT MEETING

The next ordinary meeting of the Audit Committee will be held on Monday 15 August 2022 from 6.30pm at 63 Mt Barker Road, Stirling.

10. CLOSE MEETING

The meeting closed at 8.43pm.