

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 17 APRIL 2023
63 MT BARKER ROAD STIRLING**

In Attendance

Members:

Cr Malcolm Herrmann	Presiding Member
Peter Brass	Independent Member
David Moffatt	Independent Member
Natalie Johnston	Independent Member
Cr Melanie Selwood	Council Member

In Attendance:

David Waters	Chief Executive Officer
Lachlan Miller	Executive Manager Governance & Performance
Karen Cummings	Acting Director Corporate Services
Mike Carey	Manager Financial Services
Kira-marie Laverty	Corporate Planning & Performance Coordinator

Guests in Attendance:

Linh Dao (via ZOOM)	BDO Audit Pty Ltd
Mitchell Bremner	BDO Audit Pty Ltd

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 Kaurna 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.

2. APOLOGIES/LEAVE OF ABSENCE

2.1. Apology

Nil

2.2. Leave of Absence

Nil

Presiding Member _____ 15 May 2023

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2.3. Absent

Nil

3. MINUTES OF PREVIOUS MEETINGS

3.1. Audit Committee Meeting – 20 February 2023

Moved Peter Brass

S/- David Moffatt

AC11/22

That the minutes of the Audit Committee meeting held on 20 February 2023 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

Carried Unanimously

3.2. Special Audit Committee Meeting – 20 February 2023

Moved Cr Melanie Selwood

S/- Natalie Johnston

AC12/22

That the minutes of the Special Audit Committee meeting held on 20 February 2023 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

Carried Unanimously

4. PRESIDING MEMBER'S OPENING REMARKS

- Recommendations from February Audit Committee meeting approved by Council – revised Strategic Internal Audit Plan and Long Term Financial Plan for Public Consultation.
- Council appointed Audit Committee Independent Members – Pamela Lee (commencing 1 May 2023), David Moffatt (continuing in next term from 1 December 2023), and Sarah Beesley (commencing 1 December 2023). All Members have been appointed for 4 year terms.
- Cr Malcolm Herrmann acknowledged that this is the final meeting for Independent Member Natalie Johnston and on behalf of the Audit Committee, thanked her for her diligent and valuable service.

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5. DELEGATION OF AUTHORITY

In accordance with the Audit Committee Terms of Reference, the Committee has no delegated decision-making powers. The Recommendations in Items 8.1 and 8.4 are to be submitted to Council for consideration.

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

Nil

7. PRESENTATIONS, ACTION REPORT & WORKPLAN

7.1. Risk Presentation

Nil

7.2. Action Report and Work Plan Update

Moved Natalie Johnston

S/- Cr Melanie Selwood

AC13/22

1. That the report be received and noted.
2. That the status of the Action Report and Work Plan be noted.
3. To approve the proposed changes to the *Audit Committee Work Plan 2023* as contained in Appendix 2.

Carried Unanimously

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8. OFFICER REPORTS – DECISION ITEMS

8.1. 2022-23 External Audit Plan

Moved Peter Brass
S/- Natalie Johnston

AC14/22

The Audit Committee resolves:

1. That the report be received and noted.
2. To recommend to Council the approval of the *2022-23 External Audit Plan* by BDO Audit Pty Ltd as contained in Appendix 1.
3. To note the *2022-23 Financial Statement Audit – Engagement Letter* as contained in Appendix 2 and the *2022-23 Internal Financial Control Audit – Engagement Letter* as contained in Appendix 3.

Carried Unanimously

8.2. Q3 2022-23 Performance Report

Moved Natalie Johnston
S/- Peter Brass

AC15/22

The Audit Committee resolves the Quarterly Council Performance Report – Q3 2022-23 be received and noted.

Carried Unanimously

8.3. Service Review Biannual Report – Civil Services

Moved David Moffatt
S/- Peter Brass

AC16/22

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

Carried Unanimously

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8.4. Draft Annual Business Plan for Consultation

Moved Peter Brass
S/- Natalie Johnston

AC17/22

The Audit Committee resolves:

1. That the report be received and that the Committee notes that the budget contained within the draft *Annual Business Plan 2023-24* (Appendix 1) meets the following financial sustainability targets as set by Council:
 - a. Adjusted Operating surplus ratio of 2.6% (target of 1% to 5%)
 - b. Net financial liabilities ratio of 53% (target of 25% to 75%)
 - c. Asset sustainability ratio of 100% (target of 95% to 105%)
2. To advise Council that the Committee has reviewed the draft Annual Business Plan 2023-24 (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.
3. That, on the basis of the Committee's review, to recommend the draft ABP to Council for community consultation.

Carried Unanimously

9. QUESTIONS WITHOUT NOTICE

Nil

10. CONFIDENTIAL ITEMS

Nil

11. NEXT MEETING

The next ordinary meeting of the Audit Committee will be held on Monday 15 May 2023 from 6.00pm at 63 Mt Barker Road, Stirling.

12. CLOSE MEETING

The meeting closed at 7.52pm.