

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 15 MAY 2023
63 MT BARKER ROAD STIRLING**

In Attendance**Members:**

Cr Malcolm Herrmann	Presiding Member
Peter Brass	Independent Member
David Moffatt	Independent Member
Pamela Lee	Independent Member
Cr Melanie Selwood	Council Member

In Attendance:

David Waters	Chief Executive Officer
Lachlan Miller	Executive Manager Governance & Performance
Mike Carey	Manager Financial Services
Steven Watson	Governance and Risk Coordinator

Guests in Attendance:

Nil	
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1. COMMENCEMENT

The meeting commenced at 6.02pm.

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

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2.3. Absent

Nil

6.05pm David Moffatt joined the meeting

3. MINUTES OF PREVIOUS MEETINGS

3.1. Audit Committee Meeting – 17 April 2023

**Moved Peter Brass
S/- Cr Melanie Selwood**

AC18/23

That the minutes of the Audit Committee meeting held on 17 April 2023 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

Carried Unanimously

4. PRESIDING MEMBER'S OPENING REMARKS

1. Welcome Pamela Lee as a member of the Committee.
2. The Long-Term Financial Plan was adopted by Council on 26 April as recommended by the Committee.
3. On the recommendation of the Committee, BDO were appointed as the Council's External Auditors for up to five years
4. On 9 May, Council accepted the Committee's recommendation to adopt the Annual Business Plan and Budget. There were a few amendments to income and expenditure from what was presented to the Committee for consideration on 17 April. However, the Key Financial Sustainability Ratios were maintained within the approved ranges. Some key operating expenditures include - Increased employment costs \$156k; CC management Plan \$25k; Place making and township planning \$40k-; Woodside Pool \$30k- Diversified income study \$25k-; Amy Gillet Bikeway \$25k-; Offset by an increase in Regulatory income \$135k-.

There were some variations to the Capital budget, such as Installation of EV charging stations, purchase of EV's, CRM system and a Dog and Cat Management facility. Consultation commenced on Friday 12 May and closes on 2 June. A public meeting will be held on Tuesday 23 May 2023.

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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 Item(s) 8.1 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. Corporate Services Risk Presentation – Postponed

7.2. Action Report and Work Plan Update

Moved Pamela Lee

S/- Peter Brass

AC19/23

The Audit Committee resolves:

1. That the report be received and noted
2. That the status of the *Action Report May 2023* as contained in *Appendix 1* be noted.
3. To note the *Audit Committee Work Plan 2023, Version: 1.1a* as contained in *Appendix 2*.
4. To approve the proposed change to the *Draft Audit Committee Work Plan 2023, Version:1.2* as contained in *Appendix 3*, with amendment to the Director Presentations to accommodate a dual presentation at the next meeting.

Carried Unanimously

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8. OFFICER REPORTS – DECISION ITEMS

8.1. Budget Review 3

Moved Peter Brass

S/- Pamela Lee

AC20/23

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 \$830k to \$970k for the 2022-23 financial year.
 - b. No overall change to the Capital Works capital expenditure budget for 2022-23 thus maintaining a budget of \$19.369m which takes into account estimated carry forwards of \$8m in capital expenditure.
 - c. A change in Council's current Net Borrowing Result to that presented in BR2 from \$342k to \$202k for the 2022-23 financial year as a result of the proposed operating adjustments.
 - d. proposed financial sustainability indicators within Council's agreed targets of the following:

i.	Operating Surplus Ratio	1.8%	(Target 1% to 5%)
ii.	Net Financial Liabilities Ratio	46%	(Target 25% to 75%)
iii.	Asset Renewal Funding Ratio	104%	(Target 95% to 105%)

Carried Unanimously

8.2. End of Year Financial Reporting Timetable

Moved Cr Melanie Selwood

S/- David Moffatt

AC21/23

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

Carried Unanimously

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8.3. Internal Controls Review

Moved Peter Brass
S/- Pamela Lee

AC22/23

The Audit Committee resolves:

1. That the report be received and noted
2. To note the further developments and improvements that have been made to Council's internal controls environment.

Carried Unanimously

8.4. Public Interest Disclosure Arrangements and Compliance

Moved David Moffatt
S/- Cr Melanie Selwood

AC23/23

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

Carried Unanimously

9. QUESTIONS WITHOUT NOTICE

Presiding Member – Key information on Federal Budget which may affect Council
Peter Brass – Is Council up to speed with Single Touch Payroll v2 and ATO payment requirements?

10. CONFIDENTIAL ITEMS

Nil

11. NEXT MEETING

The next meeting of the Audit Committee (Special) will be held on Monday 19 June 2023 from 6.00pm at 63 Mt Barker Road, Stirling.

12. CLOSE MEETING

The meeting closed at 7.07pm.