

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 18 NOVEMBER 2019
63 MT BARKER ROAD STIRLING**

In Attendance**Members:**

Cr Malcolm Herrmann	Presiding Member
Peter Brass	Independent Member
Geoff Purdie	Independent Member
Paula Davies	Independent Member
Councillor Leith Mudge	Council Member

In Attendance:

Andrew Aitken	Chief Executive Officer
Terry Crackett	Director Corporate Services
Lachlan Miller	Executive Manager Governance & Performance
Marcela Ardelean	Acting Manager Financial Services
Steven Watson	Governance and Risk Coordinator Minute Taker

Guests in Attendance:

Juliano Freitas	Galpins Accountants, Advisers and Business Consultants (Galpins)
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1. COMMENCEMENT

The meeting commenced at 6.03pm

2. APOLOGIES/LEAVE OF ABSENCE**2.1. Apology**

Nil

2.2. Leave of Absence

Nil

2.3. Absent

Nil

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3. MINUTES OF PREVIOUS MEETINGS

3.1. Audit Committee Meeting – 12 August 2019

Moved Peter Brass
S/- Paula Davies

38/AC19

That the minutes of the Audit Committee meeting held on 12 August 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 Item(s) 7.4, 7.6, 7.8 are to be submitted to Council for consideration.

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

Nil

6. MOTION ON NOTICE – DECISION ITEMS

6.1. MOTION ON NOTICE – Cyber Security, Cr Leith Mudge

Withdrawn and deferred to February 2020 Audit Committee Meeting.

7. OFFICER REPORTS – DECISION ITEMS

7.1. Action Report and Workplan Update

Moved Paula Davies
S/- Cr Leith Mudge

39/AC19

The Audit Committee resolves the report be received and noted.

Carried

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7.2. 2018-19 End of Year Financial Report

Moved Peter Brass
S/- Cr Leith Mudge

40/AC19

The Audit Committee resolves:

1. That the report be received and noted
2. To note the Audited 2018-19 Financial Results compared to Budget contained within this report

Carried

7.3. 2018-19 Draft General Purpose Financial Statements

Presentation by Juliano Freitas, Galpins

Moved Cr Leith Mudge
S/- Geoff Purdie

41/AC19

The Audit Committee resolves:

1. That the report be received and noted.
2. That in accordance with Section 126(4)(a) of the Local Government (Financial Management) Regulations 1999, the Audit Committee advises Council that it has reviewed:
 - a. the General Purpose Financial Statements of the Council for the financial year ended 30 June 2019 as contained in Appendix 1, and
 - b. the External Auditor Galpins' Audit Clearance Report as contained in Appendix 2, and is satisfied that they present fairly the state of affairs of the Council.
3. To recommend that the Adelaide Hills Council 2018-19 General Purpose Financial Statements, contained in Appendix 1, can be certified by the Chief Executive Officer and the Mayor.
4. That it notes the confirmation of Galpins Auditor Independence Statement provided as Appendix 3 and considers that the Certification of Auditor Independence statement contained in Appendix 4 can be certified by the Chief Executive Officer and the Presiding Member of the Audit Committee in accordance with the requirements of Regulation 22(3) of the Local Government (Financial Management) Regulations 2011.

Carried

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7.4. 2018-19 Draft Annual Report

Moved Peter Brass
S/- Paula Davies

42/AC19

The Audit Committee resolves that the:

1. Report be received and noted.
2. Draft 2018-19 Annual Report, as contained in Appendix 1, be endorsed – and recommend to Council for adoption recognising the need for subsequent inclusion of the General Purpose Financial Statements and Council’s Regional Subsidiaries Annual Reports.

Carried

7.5. Audit Committee Self-Assessment 2019

Moved Geoff Purdie
S/- Cr Leith Mudge

43/AC19

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

Carried

7.6. Audit Committee Terms of Reference Review

Moved Paula Davies
S/- Geoff Purdie

44/AC19

That the Audit Committee resolves to recommend the draft Audit Committee Terms of Reference at Appendix 1 to Council for adoption acknowledging the likely impact on Audit Committee functions and composition arising from the Local Government Reforms.

Carried

7.7. Risk Management Plan Update

Moved Peter Brass
S/- Cr Leith Mudge

45/AC19

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

Carried

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7.8. Internal Audit Quarterly Update

Moved Geoff Purdie
S/- Paula Davies

46/AC19

The Audit Committee resolves to:

1. Receive and note the report.
2. Recommend to Council to adopt the revised Strategic Internal Audit Plan as contained in Appendix 1

Carried

7.9. Budget Review 1

Moved Paula Davies
S/- Peter Brass

47/AC19

The Audit Committee:

1. Resolves that the report be received and noted.
2. Notes:
 - a. that the Operating Budget variations presented in Budget Review 1 do not impact on the Budgeted Operating Surplus of \$411k for the 2019-20 financial year.
 - b. the proposed Capital Works adjustments increasing capital income by \$519k and capital expenditure by \$670k.
 - c. the proposed deferral of capital projects expenditure of \$1.726m to the following year
 - d. that there will be a decrease in the Net Borrowing result from \$5.010m to \$3.433m as a result of the proposed Capital Program amendment

Carried

7.10. Quarterly Debtors Report

Moved Cr Leith Mudge
S/- Geoff Purdie

48/AC19

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

Carried

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7.11. 2020 Audit Committee Meeting Dates

Moved Geoff Purdie
S/- Paula Davies

49/AC19

The Audit Committee resolves:

1. That the report be received and noted.
2. To approve the Audit Committee meeting schedule, timings and locations for 2020 as follows:

Commencement	6.00pm
Meeting Dates and Locations	17 February 2020, 63 Mt Barker Road, Stirling
	20 April 2020, 36 Nairne Road Woodside
	18 May 2020, 63 Mt Barker Road, Stirling
	17 August 2020, 63 Mt Barker Road, Stirling
	19 October 2020, 63 Mt Barker Road, Stirling
	16 November 2020, 63 Mt Barker Road, Stirling

Carried

7.12. Audit Committee 2020 Work Plan

Moved Geoff Purdie
S/- Peter Brass

50/AC19

The Audit Committee resolves:

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

Carried

8. CONFIDENTIAL ITEMS

Nil

9. NEXT MEETING

The next ordinary meeting of the Audit Committee will be held on Monday, 17 February 2020 from 6.00pm at 63 Mt Barker Road, Stirling.

10. CLOSE MEETING

The meeting closed at 8.22pm