

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 25 MAY 2020
63 MT BARKER ROAD STIRLING**

In Attendance**Members:**

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

In Attendance:

Andrew Aitken	Chief Executive Officer
Terry Crackett	Director Corporate Services
Lachlan Miller	Executive Manager Governance & Performance
Mike Carey	Manager Financial Services

1. COMMENCEMENT

The meeting commenced at 6.00pm

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

Paula Davies

Moved Peter Brass

S/- Cr Leith Mudge

23/AC20

Carried

2.2. Leave of Absence

Nil

2.3. Absent

Nil

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3. MINUTES OF PREVIOUS MEETINGS

3.1. Audit Committee Meeting – 20 April 2020

Moved Cr Leith Mudge
S/- David Moffatt

24/AC20

That the minutes of the Ordinary Council meeting held on 20 April 2020, 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) 6.3, 6.9 and 6.10 are to be submitted to Council for consideration.

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

Nil

6. OFFICER REPORTS – DECISION ITEMS

6.1. Action Report and Work Plan Update

Moved Cr Leith Mudge
S/- Peter Brass

25/AC20

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

Carried Unanimously

6.2. Quarterly Council Performance Report – Q3

Moved Peter Brass
S/- Cr Leith Mudge

26/AC20

The Audit Committee resolves that the report be received and noted

Carried

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6.3. Budget Review 3

Moved Peter Brass
S/- David Moffatt

27/AC20

The Audit Committee:

1. Resolves that the report be received and noted.
2. Recommends to Council the proposed budget adjustments presented in Budget Review 3 which result in:
 - a. a reduction in the Operating Surplus from \$411k to an Operating Deficit of \$13k for the 2019-20 financial year.
 - b. changes to capital resulting in a proposed capital expenditure budget of \$16.526m for the 2019-20 financial year from:
 - i. a reduction in Capital Expenditure of \$448k
 - ii. the proposed carry forward of capital project income of \$1.774m and expenditure of \$1.454m to the 2020-21 financial year.
 - c. an increase in Council's current Net Borrowing Result from \$4.100m to \$4.395m for the 2019-20 financial year as a result of the proposed operating and capital adjustments.

Carried Unanimously

6.4. End of Financial Year Reporting Timetable

Moved Cr Leith Mudge
S/- David Moffatt

28/AC20

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

Carried

6.5. Internal Financial Controls Update

Moved David Moffatt
S/- Peter Brass

29/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. To note the further developments that have been undertaken in the improvement of internal financial controls.

Carried

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6.6. Financial Controls Review Interim Management Letter

Moved Cr Leith Mudge
S/- Peter Brass

30/AC20

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 2019-20 Financial Controls Review and the Management Responses to their findings from the Interim Audit.

Carried

6.7. LGRS Risk Evaluation – Action Plan Review

Moved David Moffatt
S/- Cr Leith Mudge

31/AC20

The Audit Committee resolves that the report be received and noted

Carried

6.8. Risk Management Plan – Quarterly Update

Moved Peter Brass
S/- David Moffatt

32/AC20

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

Carried

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6.9. Internal Audit Quarterly Update

Moved Peter Brass
S/- Cr Leith Mudge

33/AC20

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 v1.4a as contained in Appendix 1.

Carried

6.10. Annual Business Plan and Budget 2020-21 (attachment to be distributed as a late paper)

Moved Cr Leith Mudge
S/- David Moffatt

34/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. To advise Council that the Committee has reviewed the draft Annual Business Plan 2020-21 (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 ABP to Council for community consultation.

Carried

7. CONFIDENTIAL ITEMS

Nil

8. NEXT MEETING

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

9. CLOSE MEETING

The meeting closed at 8.08pm.