

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 16 NOVEMBER 2020  
63 MT BARKER ROAD STIRLING**

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**In Attendance****Members:**

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

**In Attendance:**

Andrew Aitken	Chief Executive Officer
Peter Bice	Director Infrastructure & Operations
Lachlan Miller	Executive Manager Governance & Performance
Mike Carey	Manager Financial Services
Kira-marie Laverty	Corporate Planning & Performance Coordinator
Steven Watson	Governance and Risk Coordinator Minute Taker

**1. COMMENCEMENT**

The meeting commenced at 6.00pm.

**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 – 19 October 2020**

Moved Peter Brass  
S/- Paula Davies

53/AC20

That the minutes of the Ordinary Council meeting held on 19 October 2020 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

<b>Carried Unanimously</b>
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**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) 6.1, 6.2, 6.4, 6.7, 6.9, 6.10, 6.11, 6.13, and 7.1 are to be submitted to Council for consideration.

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

Nil

**5.1. PRESENTATION – Directorate Risk Presentation, Director Infrastructure and Operations**

Moved Peter Brass  
S/- David Moffatt

54/AC20

The Audit Committee thanked Peter Bice, Director Infrastructure and Operations for his presentation.

<b>Carried Unanimously</b>
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**5.2. Audit Committee Presiding Members Report 2020**

Moved Cr Malcolm Herrmann  
S/- Cr Leith Mudge

55/AC20

The Audit Committee received and noted the Presiding Members Report 2020.

<b>Carried</b>
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**6. OFFICER REPORTS – DECISION ITEMS**

**6.1. Draft 2019 – 2020 Annual Report**

Moved Paula Davies  
S/- Cr Leith Mudge

56/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. To advise Council that the Committee has reviewed the Draft *2019-20 Annual Report*, as contained in *Appendix 1*, in terms of the report's adequacy in meeting its legislative requirements.
3. That, on the basis of the Committee's review and with minor suggested edits to recommend the Annual Report to Council for adoption.

<b>Carried</b>
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**6.2. End of Year Financial Report**

Moved Peter Brass  
S/- David Moffatt

57/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. To recommend to Council that the Audited 2019-20 Financial Results compared to Budget contained within this report have been appropriately considered

<b>Carried Unanimously</b>
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**6.3. Audit Committee Self-Assessment Report 2020**

Moved Peter Brass

S/- Paula Davies

58/AC20

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

<b>Carried Unanimously</b>
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**6.4. Budget Review 1**

Moved Cr Leith Mudge

S/- Paula Davies

59/AC20

The Audit Committee resolves:

1. That the report be received and noted.
2. To recommend to Council the proposed budget adjustments presented in the 2020-21 Budget Review 1 be approved which result in:
  - a. An increase in the Operating Surplus from \$808k to \$2.343m for the 2020-21 financial year.
  - b. Changes to Capital Works, increasing capital income by \$50k and capital expenditure by \$219k for the 2020-21 financial year resulting in a revised capital expenditure budget for 2020-21 of \$21.487m.
  - c. A decrease in Council's current Net Borrowing Result from \$6.350m to \$4.984m for the 2020-21 financial year as a result of the proposed operating and capital adjustments.

<b>Carried Unanimously</b>
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**6.5. Council Quarterly Performance Report**

Moved Cr Leith Mudge

S/- Peter Brass

60/AC20

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

<b>Carried Unanimously</b>
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**6.6. Action Report & Work Plan Update**

Moved Peter Brass  
S/- David Moffatt

61/AC20

The Audit Committee resolves:

1. That the report be received and noted.
2. That the status of the Action Report and Work Plan be noted.
3. That the Proposed 2021 Audit Committee Work Plan be adopted

<b>Carried Unanimously</b>
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**6.7. Risk Management Plan Update**

Moved Paula Davies  
S/- Cr Leith Mudge

62/AC20

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

<b>Carried</b>
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**6.8. LGRS Risk Evaluation 2019 – Action Plan Review**

Moved Cr Leith Mudge  
S/- Peter Brass

63/AC20

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

<b>Carried Unanimously</b>
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**6.9. Policy Review – Treasury Policy**

Moved Cr Malcolm Herrmann  
S/- Cr Leith Mudge

64/AC20

1. That the report be received and noted
2. To recommend to Council the adoption of the *Treasury Policy* as detailed at Appendix 1.

<b>Carried</b>
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**6.10. Policy Review – Grant & External Funding Acceptance**

Moved Paula Davies  
S/- Cr Leith Mudge

65/AC20

1. That the report be received and noted
2. To recommend to Council the adoption of the *Acceptance of External Funding Policy* as detailed at Appendix 1.

<b>Carried Unanimously</b>
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**6.11. Policy Review – Debt Recovery Policy**

Moved Cr Malcolm Herrmann  
S/- Paula Davies

66/AC20

1. That the report be received and noted
2. To recommend to Council with minor suggested edits the adoption of the Debt Recovery Policy as detailed at Appendix 1.

<b>Carried Unanimously</b>
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**6.12. Audit Committee Meeting Dates 2021 – 2022**

Moved Peter Brass  
S/- Cr Leith Mudge

67/AC20

The Audit Committee resolves:

1. That the report be received and noted.
2. To approve the Audit Committee meeting schedule, timings and locations for 2021 as follows:

<b>Commencement</b>	<b>6.30pm</b>
<b>Meeting Dates and Locations</b>	<b>Monday 15 February 2021, 63 Mt Barker Road, Stirling</b>
	<b>Monday 19 April 2021, 36 Nairne Road, Woodside</b>
	<b>Monday 24 May 2021, 63 Mt Barker Road, Stirling</b>
	<b>Monday 16 August 2021, 63 Mt Barker Road, Stirling</b>
	<b>Monday 18 October 2021, 63 Mt Barker Road, Stirling</b>
	<b>Monday 15 November 2021, 63 Mt Barker Road, Stirling</b>

3. To approve the Audit Committee meeting schedule, timings and locations for 2022 as follows:

<b>Commencement</b>	<b>6.30pm</b>
<b>Meeting Dates and Locations</b>	<b>Monday 14 February 2022, 63 Mt Barker Road, Stirling</b>
	<b>Monday 18 April 2022, 36 Nairne Road, Woodside</b>
	<b>Monday 23 May 2022, 63 Mt Barker Road, Stirling</b>
	<b>Monday 15 August 2022, 63 Mt Barker Road, Stirling</b>
	<b>Monday 17 October 2022, 63 Mt Barker Road, Stirling</b>
	<b>No meeting scheduled (Council General Elections Nov 2022)</b>

**Carried Unanimously**

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**6.13. Internal Audit Quarterly Update**

Moved David Moffatt

S/- Paula Davies

68/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 v1.6a as contained in Appendix 1.

<b>Carried</b>
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**7. CONFIDENTIAL ITEMS**

**RELEASED 25 JANUARY 2021**

**7.1. External Audit Contract – Exclusion of the Public**

Moved Paula Davies

S/- Cr Leith Mudge

69/AC20

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 & Performance, Lachlan Miller
- Manager Financial Services, Mike Carey
- Corporate Planning & Performance Coordinator, Kira-marie Laverty
- Governance & Risk Coordinator, Steven Watson
- Natalie Johnston

be excluded from attendance at the meeting for Agenda Item 7.1: (External Audit Contract) in confidence.

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



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**Section 90(3)(d) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) that would, on balance, be contrary to the public interest, the disclosure of which could reasonably be expected to prejudice the commercial position of the business which supplied the information and confer a commercial advantage on a third party.**

**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.**

<b>Carried</b>
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**RELEASED 25 JANUARY 2021**

**7.1.1. External Audit Contract – Confidential Item**

Moved Peter Brass  
S/- Paula Davies

70/AC20

The Audit Committee resolves:

1. That the report be received and noted
2. To recommend to Council to exercise the two-year option under the Professional Services Agreement for External Audit with Galpins Accountants, Auditors and Business Consultants for the conduct of the 2020-21 and 2021-22 Annual Financial Statement and Internal Financial Control audits at a cost of \$49,290.

<b>Carried Unanimously</b>
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**RELEASED 25 JANUARY 2021**

**7.1.2. External Audit Contract –Period of Confidentiality**

Moved Cr Leith Mudge  
S/- David Moffatt

**71/AC20**

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council's decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda Item 7.1 in confidence under sections 90(2) and 90(3)(d) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* that the report, related attachments and the minutes of Council and the discussion and considerations of the subject matter be retained in confidence until Council has determined its position in relation to the exercise of the two-year option under the Professional Services Agreement.

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, Council delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.

<b>Carried Unanimously</b>
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**8. OTHER BUSINESS**

**8.1. Independent Member Paula Davies**

Moved Cr Malcolm Herrmann  
S/- Cr Leith Mudge

**72/AC20**

The Committee thanked Independent Member Paula Davies for her service and contribution to the Audit Committee and wished her well in future endeavours.

<b>Carried Unanimously</b>
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**9. NEXT MEETING**

The next ordinary meeting of the Audit Committee will be held on Monday 15 February 2021 from 6.30pm at 63 Mt Barker Road, Stirling.

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**10. CLOSE MEETING**

The meeting closed at 8.10pm.