

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE
MINUTES OF MEETING
MONDAY 20 MAY 2024
63 MT BARKER ROAD STIRLING**

In Attendance

Members:

Cr Malcolm Herrmann	Presiding Member
David Moffatt	Independent Member – attended online
Pamela Lee	Independent Member
Cr Melanie Selwood	Council Member

In Attendance:

Greg Georgopoulos	Chief Executive Officer
Ashley Curtis	A/Director Corporate Services
Gary Lewis	Manager Financial Services
Zoë Gill	Governance and Performance Coordinator
Skye Ludzay	Minute Secretary
Tom Portas	IT Support
Kira-marie Laverty	Corporate Planning & Performance Coordinator

1. COMMENCEMENT

The meeting commenced at 6.01pm.

1.1. Acknowledgement of Country

Council acknowledges that we meet on the traditional lands and waters of the Peramangk and Kurna 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

Sarah Beesley

2.2. Leave of Absence

Nil

2.3. Absent

Presiding Member _____ 19 August 2024

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3. MINUTES OF PREVIOUS MEETINGS

3.1. Audit Committee Meeting – 15 April 2024

Moved Pamela Lee
S/- David Moffatt

AC19/24

That the minutes of the Audit Committee meeting held on 15 April 2024 as supplied, be confirmed as an accurate record of the proceedings of that meeting.

Carried Unanimously

4. PRESIDING MEMBER'S OPENING REMARKS

- Council approved the 2024/25 Annual Business Plan at its meeting on 14 May 2024. Council considered the report from the Audit Committee in reaching its decision. To retain the approved Operating surplus ratio of between 1% to 5%, I unsuccessfully moved (against the staff recommendation) to adopt a surplus of \$654k which would have achieved the desired result. The rate rise would have been 6.42%. In the end, Council adopted a rate rise of 5.78% resulting in a surplus of \$365k which is 0.56% and outside the approved range. Both resolutions were NOT unanimous. Consultation closes on 11 June 2024.
- On the Audit Committee's recommendation, Council referred the Local Government Income Protection Fund report to the CEO for consideration with the next Enterprise Development agreement.
- The filling of the vacancy of the Director Corporate Service role has progressed
- Skye Ludzay is currently in the governance and risk officer role

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) 7.1, 8.1, 8.2, 8.3, 8.4 and 8.5 are to be submitted to Council for consideration.

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

Nil

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7. PRESENTATIONS, ACTION REPORT & WORKPLAN

7.1. Action Report and Work Plan Update

Moved David Moffatt
S/- Pamela Lee

AC20/24

1. That the 2024 Action Report and Work Plan Update be received and noted.
2. That the 2024 Action Report, May 2024, be noted.
3. That the 2024 Work Plan and Reporting Schedule be adopted.

Carried Unanimously

8. OFFICER REPORTS – DECISION ITEMS

Cr Melanie Selwood attended the meeting at 6.13pm.

8.1. Budget Review 3

Moved Cr Malcolm Herrmann
S/- Pamela Lee

AC21/24

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. A decrease in the Operating Surplus from \$571k to \$473k for the 2023-24 financial year.
 - b. A reduction to the capital expenditure budget for 2023-24 of \$3.05m bringing the total budget to \$21.9m.
 - c. The following proposed financial sustainability indicators:
 - i. Operating Surplus Ratio 0.8% (Target 1% to 5%)
 - ii. Net Financial Liabilities Ratio 50% (Target 25% to 75%)
 - iii. Asset Renewal Funding Ratio 111% (Target 95% to 105%)
3. To recommend to Council that the CEO continues to investigate means of returning the 2023/24 budget Operating Surplus to the approved range of 1% to 5%.

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4. To recommend to Council that, in view of the works in progress write offs of \$632k over the past three (3) financial years, the CEO undertakes a review of the controls and processes for accounting for works in progress.

Carried Unanimously

8.2. End of Financial Year Reporting Timetable

Moved David Moffatt
S/- Cr Melanie Selwood

AC22/24

That the End of Financial Year Reporting Timetable be received and noted.

Carried Unanimously

8.3. Internal Financial Controls Update

Moved David Moffatt
S/- Pamela Lee

AC23/24

1. That the Internal Financial Controls Update report be received and noted.
2. To note the further developments and improvements that have been made to Council's internal controls environment.
3. Request the CEO to prepare a remediation plan for controls rated three (3) or lower by either the reviewer or the assessor.

Carried Unanimously

8.4. Public Interest Disclosure Arrangements and Compliance

Moved Pamela Lee
S/- Cr Melanie Selwood

AC24/24

The Audit Committee resolves that the Public Interest Disclosure Arrangements and Compliance report be received and notes that there have been no Public Interest disclosures made since May 2023.

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Carried Unanimously

8.5. Service Review Biannual Report

Moved Pamela Lee
S/- David Moffatt

AC25/24

The Audit Committee resolves that the Service Review Biannual Report be received and notes that:

1. When next reported original dates will be revised if they have not been achieved together with an explanation.
2. That the risk management plan be reviewed when the organisation wide service review occurs.

Carried Unanimously

9. QUESTIONS WITHOUT NOTICE

- Cr Melanie Selwood – Requested if there is a plan to review accepted financial sustainability targets in the near future?

10. CONFIDENTIAL ITEMS

Nil

11. NEXT MEETING

The next ordinary meeting of the Audit Committee will be held on Monday 19 August 2024 from 6.00pm at 63 Mt Barker Road, Stirling.

12. CLOSE MEETING

The meeting closed at 7.20pm.