



**Adelaide Hills**  
COUNCIL

**AUDIT COMMITTEE**

**NOTICE OF MEETING**

To: **Presiding Member** Cr Malcolm Herrmann

Members

David Moffatt  
Pamela Lee  
Sarah Beesley  
Deputy Mayor Melanie Selwood

Notice is hereby given pursuant to the provisions under Section 87 of the *Local Government Act 1999* that the next meeting of the Audit Committee will be held on:

**Monday 19 August 2024**  
**6.00pm**  
**63 Mt Barker Road, Stirling**

A copy of the Agenda for this meeting is supplied under Section 87 of the Act.

Committee meetings are open to the public and members of the community are welcome to attend.

A Public notice of the Agenda for this meeting is supplied under Section 88 of the Act.

Greg Georgopoulos  
Chief Executive Officer



## AUDIT COMMITTEE

**AGENDA FOR MEETING**  
**Monday 19 August 2024**  
**6.00pm**  
**63 Mt Barker Road, Stirling**

### ORDER OF BUSINESS

**1. COMMENCEMENT**

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. We will care for this country together by ensuring the decisions we make will be guided by the principle that we should never decrease our children's ability to live on this land.

**2. APOLOGIES/LEAVE OF ABSENCE**

2.1. Apology

2.2. Leave of Absence

2.3. Absent

**3. MINUTES OF PREVIOUS MEETINGS**

3.1. Audit Committee Minutes – 20 May 2024

*That the minutes of the Audit Committee meeting held on Monday 20 May 2024, as supplied, be confirmed as an accurate record of the proceedings of that meeting.*

**4. PRESIDING MEMBER'S OPENING REMARKS**

**5. DELEGATION OF AUTHORITY**

The Audit Committee operates in accordance with the relevant sections of the Local Government Act 1999, and its Terms of Reference.

**6. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF THE COMMITTEE**

**7. QUESTION ON NOTICE**

**7.1 Purchase Cards – Cr Malcolm Herrmann**

*1. How many cards are on issue to staff and Elected members?*

The number of cards issued to staff (49) and EMs (0)

*2. What is the lowest classification of the staff to whom Purchase Cards have been issued?*

The lowest classification is GO3.3.

*3. For the year 2023/24, what was the estimated value of transactions conducted by the use of Purchase Cards?*

The total value of transactions by the use of purchase cards for financial year 2023-24 is \$440,952.15.

*4. For the year 2023/24, how many transactions were conducted by way of Purchase Cards? (if information is readily available)*

The number of transactions by purchase card for financial year 2023-24 is 2,275.

*5. What internal controls are in place to ensure correct use?*

If a staff member requires a credit card for materials and services for Council business, the staff member needs to complete and sign, with approval from their people leader, a request for a new purchase card and also a NAB Corporate Card (Add a Cardholder Request) form. The staff member will then need to provide 100 points worth of identification and show this to the Verifying Officer in Finance. Once this has been done the card can be ordered.

All cardholders are provided with instructions on how to use flexipurchase (Cardholders guide) and the "AHC Purchase Card Procedure" when they receive their card. It is the cardholder's responsibility to ensure they use their card correctly.

Each item of expenditure must be coded, and an appropriate tax invoice or other supporting documentation provided by the cardholder during the monthly reconciliation of their credit card. All expenditure is then reviewed and approved by the cardholders Manager. Managers may request additional supporting

documentation through flexipurchase which has the functionality to allow managers to query a transaction.

Finance also reviews all purchases once the manager has approved the cardholders' transactions. This is to ensure we can claim back the GST as part of our BAS lodgement. Finance will also review the larger purchases and ensure receipts have been appropriately attached. Incorrect uses of the card will be advised back to the cardholder.

AHC uses "Flexipurchase" a credit card management tool operated through the NAB.

If a personal transaction is incorrectly made, the cardholder must submit a form "Declaration of Personal Purchase" which is attached in flexipurchase to the transaction. The cardholder is then responsible for reimbursing Council. Finance will periodically check to ensure repayments are being made.

If a receipt is lost or not provided, the cardholder must submit a form "Declaration of Lost Corporate Card Purchase Invoice" which is attached in flexipurchase to the transaction.

The Accounts Payable Officer and Team Leader Finance are Administrators and can lock/cancel a card at any stage if there is any misuse of a purchase card.

It should be noted that expenditure on purchase cards can be attributed to a staff member with detailed information with regards to the transactions being easily available. The use of credit cards is an efficient and controllable method for procurement of materials and services for Council business.

*6. Is the CEO satisfied that the internal controls in place are sufficient to ensure misuse does not occur?*

Currently, the CEO is satisfied with the internal controls.

Council's internal controls are compliant with those set out in the 'Better Practice Model – Model – Internal Financial Controls' which is prescribed in the Local Government Act 1999. These are subject to annual audit by Councils appointed auditors. The Auditors findings with regards to the internal controls are reported to the Audit Committee on an annual basis for their review.

However, it is important to review all internal controls to ensure that they remain both effective and relevant. Any advice on this matter that the Audit Committee has will be considered promptly.

*7. What role does the external Auditor play in scrutiny of the use of Purchase Cards?*

As noted above, Council's appointed Auditors audit the internal controls on an annual basis.

With regards to the external audit of the financial statements, credit cards are not automatically reviewed. A credit card transaction may come up in their sample testing of expenditure over the entire organisation with supporting documentation then provided from the Accounts Payable team.

## 8. PRESENTATIONS, ACTION REPORT & WORKPLAN

### 8.1 Risk Presentation

#### 8.1.1. Infrastructure and Environment Directorate Risk Profile Presentation

### 8.2 Action Report and Work Plan Update

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

## 9. OFFICER REPORTS

### 9.1 End of Financial Year Update – **Late Report**

### 9.2. Interim Audit Management Letter

1. *That the report be received and noted*
2. *Notes the communication received from BDO Audit from their Interim visit relating to the 2023-24 Annual Financial Statement and Internal Financial Control Audits and the Management Responses to their findings from the Interim Audit, as contained in Appendix 1.*

### 9.3. Debtors Report – 30 June 2024

*That the report be received and noted.*

### 9.4. Placement of Council's Insurance Portfolio – 2024-25

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

### 9.5. Audit Actions Implementation Update

1. *That the report be received and noted*
2. *To note the implementation status of Internal and External Audit actions.*

9.6. Quarterly Risk Management Report

*That the Quarterly Risk Management Report be received, accepted and noted.*

9.7. Risk Management and Audit Review Plan

*That the report be received and noted.*

**10. QUESTIONS WITHOUT NOTICE**

**11. CONFIDENTIAL ITEMS**

11.1 Financial Management Council Report

**12. NEXT MEETING**

The next Audit Committee meeting will be held at 6.00pm on 14 October 2024 at 63 Mount Barker Road, Stirling.

**13. CLOSE MEETING**