

**ADELAIDE HILLS COUNCIL AUDIT COMMITTEE  
MINUTES OF MEETING  
MONDAY 21 October 2024  
63 MT BARKER ROAD STIRLING**

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**In Attendance**

**Members:**

Cr Malcolm Herrmann	Presiding Member
Sarah Beesley	Independent Member (online)
David Moffatt	Independent Member
Pamela Lee	Independent Member
Cr Melanie Selwood	Council Member

**In Attendance:**

Greg Georgopoulos	Chief Executive Officer
Gary Lewis	Director Corporate Services
Zoë Gill	Executive Governance Officer
Bruce Smith	Manager Financial Services
Skye Ludzay	Minute Secretary

**Guests in Attendance:**

Linh Dao, Audit and Insurance	BDO Australia
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**1. COMMENCEMENT**

The meeting commenced at 7.30pm.

**1.1. Acknowledgement of Country**

Council acknowledges that we meet on the traditional Country of the Peramangk and Kurna people. We pay our respects to Ancestors and Elders past and present as the Custodians of this ancient and beautiful land.

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**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 Meeting – 19 August 2024

Moved Cr Melanie Selwood  
S/- Pamela Lee

**AC38/24**

**That the minutes of the Audit Committee meeting held on 19 August 2024 as supplied, be confirmed as an accurate record of the proceedings of that meeting.**

<b>Carried Unanimously</b>
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**4. PRESIDING MEMBER'S OPENING REMARKS**

1. Council has approved a change to the Acknowledge of Country
2. Council has been requested to provided information to BDO, the consultants investing the CCC proposal to annex a portion of the AHC.
3. Council members received mid-term training on Financial Management. The session was targeted at AHC's current financial position.
4. Since the last meeting, the following senior staff have been recruited – Manager Financial Services - Bruce Smith and Manager People and Culture – Roger Hunter. The Governance team have recruited a Policy Officer and a Risk, Audit and Insurance Officer.

**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 AUDIT COMMITTEE**

Nil

**7. MOTION WITH NOTICE**

7.1. Cr Malcolm Herrmann – Financial Strategy and Long Term Financial Plan

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Presiding Member \_\_\_\_\_ 18 November  
2024

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Moved Cr Malcolm Herrmann  
S/- Pamela Lee

AC39/24

That the Audit and Risk Committee requests that:

1. The CEO initiates the preparation of the Long-Term Financial Plan as soon as practicable with the first workshop being prior to 31 December 2024.
2. That a report be presented to the Audit and Risk Committee at its meeting of 18 November 2024 setting out advice for Council on:
  - (a) the formulation of the Financial Indicators
  - (b) Strategic considerations for achieving financial sustainability.

Carried Unanimously
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**8. PRESENTATIONS, ACTION REPORT & WORKPLAN**

**8.1. 2024 Action Report and Work Plan Update**

Moved David Moffatt  
S/- Sarah Beesley

AC40/24

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

Carried Unanimously
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**9. OFFICER REPORTS – DECISION ITEMS**

**9.1. Auditors Completion Report 2024**

Moved Pamela Lee  
S/- Sarah Beesley

AC41/24

The Audit Committee resolves:

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1. That the “Annual Audit Completion Report for the year ended 30 June 2024” from Council’s external auditors, BDO, contained in Appendix 1 be received and noted.
2. Further notes that the Auditor proposes to issue an audit clearance subject to:
  - a) Review of subsequent events post 30 June 2024,
  - b) Receipt of signed management representation letter,
  - c) Receipt of the final Annual Financial Statements for 2023-24 being certified by the CEO and Presiding Member of the Audit Committee.

**Carried Unanimously**

The Audit Committee met with the Auditor, Linh Dao, BDO, without Council staff present, to discuss the External Auditor’s report and any issues arising from the audit.

**9.2. Report on Financial Results for 2023-24**

8:52pm The Committee’s discussion included mention of Council banking with Westpac. Pamela Lee declared that she is employed by Westpac, but not in the banking division.

**Moved David Moffatt**  
**S/- Pamela Lee**

**AC42/24**

The Audit Committee notes the 2023-2024 report on the financial results for the Adelaide Hills Council, contained in Appendix 1:

- Operating income: \$56,555,000
- Operating expense: \$60,908,000
- Operating deficit: \$ 4,353,000
- Operating surplus ratio: – 7.7% (target range 1-5%)
- Adjusted operating surplus ratio: – 3.2% (target range 1-5%)
- Net financial liabilities ratio: 49% (target range 25-75%)
- Asset renewal funding ratio: 106% (target range 90-110%)

**Carried Unanimously**

**9.3. 2023/24 Annual Financial Statements and End of Year Report**

**Moved David Moffatt**

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S/- Sarah Beesley

AC43/24

The Audit Committee resolves that:

1. Having reviewed the Financial Statements for 2023-24 as per Appendix 1, that the Financial Statements present fairly the financial position of the Adelaide Hills Council.
2. It is appropriate that the Management Representation Letter requested by the external auditor, as per Appendix 2, is signed by management.
3. That it notes the Certification of Auditor Independence as per Appendix 3 is considered by the Chief Executive Officer and the Presiding Member of the Audit Committee.
4. That it Authorises the Chief Executive Officer and the Mayor to certify the Financial Statements for 2023-24 in their final form.

<b>Carried Unanimously</b>
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**9.4. Service Review Biannual Report**

Moved Melanie Selwood

S/- Pamela Lee

AC44/24

The Audit Committee resolves:

1. That the Service Review Biannual Report be received and noted.
2. That the Service Review Biannual Report – Civil Services report (Appendix 1) be received and noted
3. That the Service Review Biannual Report – Development Services (Appendix 2) be received and noted
4. To recommend to Council that the current schedule of biannual reports on the 2022 and 2023 service reviews be suspended until October 2025, pending the outcomes of the proposed organisation service review process which is anticipated to commence in late 2024/early 2025.

<b>Carried Unanimously</b>
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**9.5. Quarterly Performance Report – Q4 2023-24**

Moved Cr Melanie Selwood

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Presiding Member \_\_\_\_\_ 18 November  
2024

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S/- David Moffatt

AC45/24

The Audit Committee resolves that the Quarterly Performance Report – Q4 2023-24 be received and noted.

<b>Carried Unanimously</b>
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**10. QUESTIONS WITHOUT NOTICE**

Nil

**11. CONFIDENTIAL ITEMS**

Nil

**12. NEXT MEETING**

The next ordinary meeting of the Audit Committee will be held on Monday 18 November 2024 from 6.00pm at 63 Mt Barker Road, Stirling.

**13. CLOSE MEETING**

The meeting closed at 9:26pm.

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Presiding Member \_\_\_\_\_ 18 November 2024