

**MINUTES OF THE WHYALLA COUNCIL AUDIT AND RISK COMMITTEE MEETING
HELD ON MONDAY 8 APRIL 2024 AT 11.00 AM
IN THE EYRE PENINSULA ROOM, LGA HOUSE, 148 FROME STREET, ADELAIDE
AND AT WHYALLA CITY COUNCIL CHAMBERS, 21 GRUNDEL STREET, WHYALLA**

PRESENT: Mr G Strawbridge(*Chair*), Ms P Christie, Mr L Kozlovic and Cr S Todd (proxy for Cr Klobucar)

OFFICERS IN ATTENDANCE: Chief Executive Officer (*Mr J Commons*)
Director Corporate Services (*Ms K Jarrett*)
Director City Growth (*Ms J Ballantine*)
Manager City Development (*Mrs J Perone*)
Manager Finance (*Mr G Jennings*)
Finance Co-Ordinator (*Mrs S Vigar*)
Manager People and Culture (*Mrs S King*)
Manager City Operations (*Mr C Sharp*)
Work Health Safety and Risk Advisor (*Ms E Papoulis*)
Director; BDO Australia (*Mr S Way*)
Senior Manager; BDO Australia (*Mr G Parker*)
Executive Co-Ordinator – Corporate (*Ms L Symons*)

OBSERVERS: Mayor P Stone

ACKNOWLEDGEMENT

The Chair acknowledged that the meeting was being held on Barngarla and Kaurna land and gave thanks for the use of this land.

1. STANDING ITEMS

1.1 Welcome and Apologies

Apologies – Cr P Klobucar
Leave of Absence – Nil

1.2 Declaration of Members' Conflict of Interests – Nil

1.3 Committee Members and Auditors Discussion – Nil

The Chair sought leave of the meeting to bring forward Confidential Item 4.1 Service Reviews.

The leave of the meeting was granted.

4. CONFIDENTIAL ITEMS

4.1 Service Reviews

Moved Mr L Kozlovic, seconded Ms P Christie

AC417-24

Pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999, the Audit and Risk Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Kathy Jarrett; Director Corporate, Jade Ballantine; Director City Growth, Colin Sharp; Manager City Operations, Jodie Perone; Manager City Development, Grant Jennings; Manager Finance and Knowledge Management, Sue King; Manager People & Culture, Sandra Vigar; Finance Co-Ordinator, Elisha Papoulis; Work Health Safety and Risk Advisor and Lisette Symons; Executive Coordinator – Corporate, Mr Scott Way, BDO and Mr Greg Parker, BDO for Agenda Item 4.1- Service Reviews

The Audit and Risk Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the committee will receive and consider a report containing commercial information of a confidential nature the disclosure of which could reasonably be expected to prejudice the commercial position of the Council.

Carried

Adjournment of Meeting

Moved, Mr L Kozlovic, Seconded Ms P Christie

AC418-2024

That the Audit and Risk Committee Meeting be adjourned for 15 minutes for a refreshment break.

Carried

The Audit and Risk Committee Meeting adjourned at 12:16 pm

Meeting Reconvened

Moved Ms P Christie, Seconded Mr L Kozlovic

AC419-2024

That the Audit and Risk Committee Meeting reconvenes.

Carried

The Audit and Risk Committee Meeting reconvened at 12:29 pm

Moved Ms P Christie, seconded Mr L Kozlovic

AC420-2024

The Audit and Risk Committee:

- 1.
- 2.
3. Having considered Agenda Item 4.1 in confidence, under Sections 90(2) and (3)(b) of the Local Government Act 1999, of the Act, orders that this Report including Annexures and the minutes pertaining to this item be kept confidential and not available for public inspection for a period of five (5) years, on the basis that they contain commercial information of a confidential nature the disclosure of which could reasonably be expected to prejudice the commercial position of the Council, notwithstanding that it will be reviewed annually in February of each year.

Carried

1.4 Minutes of Previous Meeting – Monday 5 February 2024

Moved Ms Christie, seconded Mr Kozlovic

AC421-2024

The Audit and Risk Committee confirm the minutes of the Audit and Risk Committee Meeting held on Monday 5 February 2024 as a true and correct record of the meeting.

Carried

1.5 Business arising from Previous Meetings – as at 8 April 2024

Management advised the following updates on business arising from previous meetings:

- ESCOSA Advice has been addressed in the Annual Business Plan and Budget.
- The Business Continuity Plan has been updated to include the Audit and Risk Committee as an escalation point and scenario testing is currently under development and will go to the July Audit and Risk Committee meeting.
- Regarding the Civic Building demolition, a preliminary conversation with a property advisory has taken place with a meeting scheduled for 14 April 2024.

A draft Expression of Interest has been developed as well as an Early Contract Involvement document for the demolition and distributed to the property advisor for a health check regarding the approach being taken. Initial commentary from the property advisor is that it's a reasonable plan and there is potential for developers to be interested in the model.

Following an approach to market, a business case examining the options presented will be developed.

The Property Advisor was disclosed as being Mr Andrew McIntyre of MRS Property. The Chair disclosed that he had previous dealings with MRS at a commercial level but was not involved in Council's consideration of engaging MRS services.

Council is also seeking the advice of Renewal SA in relation to the Expression of Interest and the approach to market given their expertise and possible opportunities to synchronise market approaches.

The Expression of Interest will be distributed to Committee Members when available, and an update will be provided to Committee Members following the meeting with MRS Property.

The Chair requested that Appendix B to the Business Arising Item include the Internal Audit Work Program and also asked that Management look at moving the 8 October meeting as it clashes with the long weekend.

Moved Mr L Kozlovic, seconded Ms P Christie

AC422-2024

The Audit and Risk Committee notes the progress of actions taken, to address items of business arising from previous meetings of the Audit and Risk Committee, as well as external reviews.

Carried

2. ITEMS FOR DECISION

2.1 Review Draft Annual Business Plan and Budget

The Manager Finance provided introductory comments including that the draft Annual Business Plan and Budget was now presented following several workshops, iterations of Long-Term Financial Plan (LTFP) modeling and taking on feedback from the Audit and Risk Committee and ESCOSA.

Based on feedback received, the Capital Works Program has been adjusted as have assumptions around future rate increments. There has also been an adjustment to labour costs noting that there was already a reduction of FTE built into the LTFP. The LTFP, like the Strategic Plan, have been structured on the basis of a 2-speed future with the first two years focused on cost containment followed by further investment should additional revenue be realised due to the State's Prosperity Projects. Sensitivity analysis around some key items has been included.

Discussion was held on the draft Annual Business Plan and Budget with the following matters being identified:

- Consideration could be given to flattening or raising rates slightly for industry and vacant land holders in the move from site to capital value.
- Caution needs to be taken with continuing to exclude the airport from Council's overall financial position, as the financial liability rests with the Council.

- Consideration could be given to stretching the target for operational savings (from \$25,000 to \$250,000), or at a minimum ensuring that savings achieved from Council’s service review program are in addition to the nominated \$25,000.
- The finer, more narrow focus presented in the 2-speed Strategic Plan will assist Council in working on its financial position. It was concluded that the Budget as presented be provided to the Council for consideration.

Moved Mr L Kozlovic, seconded Ms P Christie

AC423-2024

The Audit and Risk Committee recommends that Council considers the Audit and Risk Committee’s discussion of the draft 2024/25 Annual Business Plan and Budget, and provides the following specific advice in the context of Council’s adopted Budget Parameters and ongoing financial sustainability:

- a) See notes above

Carried

3. ITEMS FOR NOTING

Nil

4.2 Verbal Update on Council Business and City Developments

Nil

4.3 Reports on any matters arising about good public administration.

Nil

5. MOTIONS WITH NOTICE

Nil

6 MOTIONS WITHOUT NOTICE

Nil

7. DATE OF NEXT MEETING – Monday 13 May 2024 at 11am

8. CLOSE – Meeting closed at 1.32pm

Confirmed:

Presiding Member – May 2024