



**Minutes of the City of Unley
Audit and Risk Committee Meeting
Tuesday, 13 February 2024, 6:30pm
Council Chambers
181 Unley Road Unley**

PRESENT

Presiding Member M Davies
Independent Member A Martin
Independent Member P Lee
Councillor M Broniecki
Councillor J Gaffey

OFFICERS PRESENT

General Manager Business Support & Improvement, Ms N Tinning
Manager Finance and Procurement, Mr A Brown
Principal Risk Management Officer, Mr J Phillips

GUESTS

Councillor J Bonham
Eastern Waste Management Authority, Mr R Gregory

ACKNOWLEDGEMENT

The Presiding Member welcomed Members to the meeting and opened the meeting with the Acknowledgement.

1. ADMINISTRATIVE MATTERS

1.1 APOLOGIES

Nil

1.2 LEAVE OF ABSENCE

Nil

1.3 CONFLICT OF INTEREST

Nil

A presentation by Mr R Gregory, Eastern Waste Management Authority

The City of Unley is a member of the Authority. The Authority provides Council with a waste collection service. The purpose of the presentation was to provide the Committee with an overview of their business structure and identify any financial risks that the Committee should be aware of.

1.4 MINUTES

ITEM 1.4.1

MINUTES OF THE ORDINARY AUDIT AND RISK COMMITTEE MEETING HELD TUESDAY, 14 NOVEMBER 2023

MOVED Independent Member A Martin

SECONDED Independent Member P Lee

That:

1. The minutes of the Ordinary Audit and Risk Committee held on Tuesday, 14 November 2023 be taken as read and signed as a correct record.

CARRIED UNANIMOUSLY

Resolution No. AC0132/24

1.5 DEFERRED / ADJORNED ITEMS

Nil

2. REPORTS

ITEM 2.1

DRAFT LONG TERM FINANCIAL PLAN 2024-2034 FOR COMMUNITY CONSULTATION

This report presented the Draft Long Term Financial Plan, that was prepared for the purpose of community consultation. The Committee considered the contents of the Plan, with the recommendations below to be presented for Council's consideration. A report will be prepared for Council's consideration at its March meeting.

MOVED Independent Member A Martin
SECONDED Councillor M Broniecki

That:

1. The report be received.
2. The Draft 2024-25 to 2033-34 Long-Term Financial Plan, as set out in Attachment 1 to this report (Item 2.1, Audit and Risk Committee Meeting 13/02/2024), be recommended to Council for community consultation.
3. The key financial targets, as set out below, for the 2024-2034 Long-Term Financial Plan be recommended to Council for adoption.
 1. The *Operating Surplus Ratio* target be an annual range of 4% to 6% with a 5% average over the life of the Plan (excluding equity accounted businesses).
 2. The *Net Financial Liabilities Ratio* target be set at less than 80%
 3. The *Asset Renewal Funding Ratio* target be set at equal to 100% year average over the life of the Plan
4. The Audit and Risk Committee advise the following, that:
 - The Committee has reviewed the assumptions contained within the Plan and believe that they are reasonably based.
 - The proposed LTFP for consultation indicates that the City of Unley will remain financially sustainable across the 10 years of the LTFP. In particular that:
 - Current service levels can be maintained with rate stability, and the minimum target operating surplus ratio will be achieved.
 - The Asset Management Plans are fully funded to undertake the asset renewals required by the Plans. Sufficient funding capacity has also been provided to progressively deliver new and upgraded infrastructure.
 - Council has the borrowing capacity to respond should unforeseen circumstances or opportunities arise.

- Council should be mindful of generating operating surpluses over the life of the Plan without a strategic purpose.
5. The Chief Executive Officer be authorised to make minor editorial and formatting changes as required to finalise the document.

CARRIED UNANIMOUSLY

Resolution No. AC0133/24

**ITEM 2.2
INTERNAL AUDIT REPORT PAYROLL - OVERTIME AND TOIL (FEBRUARY 2024)**

This report provided the Committee with the findings of the review. Based on the testing undertaken, and the evidence collated and reviewed, the audit provided a good level of assurance that the policies, procedures, and arrangements are adequate and effective in the management of overtime and time off in lieu in the payroll system.

MOVED Councillor J Gaffey
SECONDED Independent Member P Lee

That:

1. The report be received.

CARRIED UNANIMOUSLY

Resolution No. AC0134/24

**ITEM 2.3
QUARTERLY RISK REPORT (FEBRUARY 2024)**

This report informed the Committee of the review undertaken in January 2024 by the Executive Management Team (EMT). The EMT identified the following emerging risk as part of their quarterly review: Sourcing of appropriate labour and skills to deliver an accelerated approach to the delivery of various Council adopted plans. Treatment plans will be considered and reported at their next review.

MOVED Councillor J Gaffey
SECONDED Councillor M Broniecki

That:

1. The report be received.

CARRIED UNANIMOUSLY

Resolution No. AC0135/24

ITEM 2.4
2024 INTERNAL AUDIT PLAN (FEBRUARY 2024)

This report proposed the Internal Audit Plan for the 2024 calendar year. Following the first audit conducted by Council's new external auditors, this program of work will be extended further than one year. A revised Plan will be presented to the Committee at its November 2024 meeting.

MOVED Independent Member P Lee
SECONDED Independent Member A Martin

That:

1. The report be received.
2. The Internal Audit Work Plan as set out in Attachment 1 to this report (Item 2.4, Audit and Risk Committee Meeting, 13/02/2024) be endorsed.

CARRIED UNANIMOUSLY

Resolution No. AC0136/24

ITEM 2.5
PROPOSED 2024 AUDIT AND RISK COMMITTEE WORKPLAN
(FEBRUARY 2024)

This report presented the Committee with a proposed Workplan for the 2024 calendar year.

MOVED Councillor M Broniecki
SECONDED Independent Member P Lee

That:

1. The report be received.
2. The proposed 2024 Audit and Risk Committee Workplan as set out in Attachment 1 to this report (Item 2.5, Audit and Risk Committee Meeting, 13/02/2024), with the below amendments, be endorsed.
 - The draft Governance Framework be presented at the August 2024 meeting; and
 - An updated proposed Internal Audit Plan be presented at the November 2024 meeting.

CARRIED UNANIMOUSLY

Resolution No. AC0137/24

3. OTHER BUSINESS

The Committee requests Council's external auditor, Bentley's provides their proposed Audit Plan for the financial year ending 30 June 2024 by 1 March 2024.

NEXT MEETING

Tuesday 14 May 2024 - 6:30pm

CLOSURE

The Presiding Member closed the meeting at 8.48pm.

.....
PRESIDING MEMBER