



**MINUTES OF AUDIT COMMITTEE MEETING HELD IN LITTLE PARA  
CONFERENCE ROOMS, SALISBURY COMMUNITY HUB, 34 CHURCH STREET,  
SALISBURY ON**

**12 AUGUST 2020**

**MEMBERS PRESENT**

Cr G Reynolds (Chairman)  
Mr N Ediriweera  
Mr C Johnson (*via videoconference*)  
Cr K Grenfell (Deputy Chairman)

**OBSERVERS**

Mr Matthew Brunato, Manager Audit and Assurance, Bentleys  
Mr David Papa, Partner Risk and Assurance Services, Bentleys  
Mr Tim Muhlhausler, Partner, Galpins

**STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
General Manager City Infrastructure, Mr J Devine  
Manager Financial Services, Ms K George  
Manager Business Systems and Solutions, Mr D Bevan  
Manager Property & Buildings, Ms K Pepe  
Manager Infrastructure Management, Mr D Roy  
Manager Governance, Mr M Petrovski  
IT Service Delivery Manager, Ms L Paltridge  
Risk and Governance Program Manager, Ms J Crook

The meeting commenced at 6.35pm

The Chairman welcomed the members, staff and the gallery to the meeting.

**APOLOGIES**

Apologies were received from Ms K Verrall.

**LEAVE OF ABSENCE**

Nil

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## PRESENTATION OF MINUTES

Moved Cr K Grenfell  
Seconded Mr C Johnson

The Minutes of the Audit Committee Meeting held on 15 April 2020, be taken and read as confirmed.

**CARRIED**

Moved Cr K Grenfell  
Seconded Mr N Ediriweera

The Minutes of the Confidential Audit Committee Meeting held on 15 April 2020, be taken and read as confirmed.

**CARRIED**

## REPORTS

### *Administration*

#### **4.0.1 Actions List**

Moved Mr C Johnson  
Seconded Cr K Grenfell

1. The information is noted.

**CARRIED**

#### **4.0.2 Future Reports for the Audit Committee of Council**

Moved Cr K Grenfell  
Seconded Mr C Johnson

1. The information is received.

**CARRIED**

### *Reports*

#### **4.2.1 Bentley's Interim Report on Audit Findings**

*Bentleys representatives, David Papa, Partner Risk and Assurance Services and Matthew Brunato, Manager Audit and Assurance spoke to the interim report and provided the Audit Committee an opportunity to ask questions in regard to the audit.*

*Bentleys will provide the Audit Committee with information about which controls were tested.*

Moved Cr K Grenfell  
Seconded Mr N Ediriweera

1. The information be received.

**CARRIED**

#### **4.2.2 Asset Management Audit - follow up report**

*Mr Tim Muhlhausler, Partner, Galpins, provided the Committee with an outline of the Asset Management Audit follow up report.*

Moved Mr N Ediriweera  
Seconded Mr C Johnson

1. That the updated responses of the Administration to the Asset Management audit as set out in Attachment 2 to this report (Item 4.2.2, Audit Committee, 12 August 2020) be endorsed for Council approval.
2. That the verification of the updated responses to the Asset Management Audit as set out in Attachment 2 to this report (Item 4.2.2, Audit Committee, 12 August 2020) be noted.

**CARRIED**

#### **4.2.3 Annual Report 2019/2020 - Internal Controls Framework and Audit Committee sections**

Moved Cr K Grenfell  
Seconded Mr N Ediriweera

1. That the proposed inclusions in the annual report relating to the operations and membership of the Audit Committee for the 2019/2020 financial year as set out in Attachment 1 to this report (Item 4.2.3, Audit Committee, 12/08/2020) be approved, subject to the feedback provided by members.

**CARRIED**

#### **4.2.4 Local Government Reforms: City of Salisbury response to Local Government Statutes Amendment (Review) Bill 2020**

Moved Mr N Ediriweera  
Seconded Mr C Johnson

1. That the information is noted and questions raised by the members at the meeting and the corresponding answers from management be noted by Council as follows:
  - a. What is the reason for opposing the deletion of section 12 of the *Local Government Act 1999* relating to Representation Reviews? The matter is to be read in conjunction with the proposed new section 11A which provides for the number of members of a council (including the Mayor) will be capped

at 12. The City of Salisbury opposes the reduction of members to 12 or less, therefore we are opposed to the removal of the Representation Review process. The City of Salisbury believes that the community should decide how many councillors it has, and the Representation Review is a mechanism by which the community is consulted.

- b. What is the reason for opposing section 273 providing for the Minister to direct Councils? Opposition to this proposed amendment arises out of the notion that a body yet to be established with no connection to the community may make recommendations to the Minister about the business of a Council. City of Salisbury is of the view that the current oversight mechanisms of the ICAC, Ombudsman and Auditor-General enable councils to relate to its community and make decisions accordingly. City of Salisbury is of the view that the current oversight mechanisms are adequate and that there is no evidence to suggest that they are not working.

**CARRIED**

#### **4.2.5 Update on Internal Audit Plan**

Moved Cr K Grenfell

Seconded Mr C Johnson

1. That the updates made to the 2018 - 2022 Internal Audit Plan as set out in Attachment 1 to this report (Item 4.2.5, Audit Committee, 12/08/2020) are endorsed.

**CARRIED**

#### **4.2.6 Risk Management and Internal Controls Activities**

Moved Cr K Grenfell

Seconded Mr C Johnson

1. The information is received.
2. The Update on Risk Management and Internal Controls Activities for 2019/2020, as set out in Attachment 1 to this report (Item 4.2.6, Audit Committee, 12/08/2020) is endorsed.
3. The proposed schedule of Risk Management and Internal Controls Activities for 2020/2021, as set out in Attachment 6 to this report (Item No. 4.2.6, Audit Committee 12/08/2020), is endorsed.
4. Council notes the update on outstanding actions from completed Internal Audits, as set out in Attachment 7 to this report (Item 4.2.6, Audit Committee, 12/08/2020).

**CARRIED**

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**OTHER BUSINESS**

Nil

**CONFIDENTIAL ITEMS**

**4.4.1 Auditor General's Examination of Management of Road Asset Maintenance in the City of Salisbury**

Moved Cr K Grenfell  
Seconded Mr C Johnson

1. Pursuant to Section 90(2) and (3)(j)(i) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:

- it relates to information the disclosure of which would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the Council, or a person engaged by the Council).

2. In weighing up the factors related to disclosure,

- disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations

- The Auditor General's Department have requested that this matter remain confidential

On that basis the public's interest is best served by not disclosing the Auditor General's Examination of Management of Road Asset Maintenance in the City of Salisbury item and discussion at this point in time.

3. Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.

**CARRIED**

The meeting moved into confidence at 8.22pm

The meeting moved out of confidence at 8.45pm

The meeting closed at 8.45pm.

CHAIRMAN.....

DATE.....