

Audit Committee Minutes

19 August 2019 at 6.00 pm
Council Chamber
401 Greenhill Road, Tasmore

Members Present: Mr David Powell - Chair (Independent)
Councillor Henschke
Mr Roberto Bria (Independent)
Councillor Jones (Proxy Member for Mayor Monceaux)

Guests: Peta Mantzarapis, Project Director, Brownhill Keswick Creek
Stormwater Project

Apologies

Mayor Anne Monceaux and Stephen Coates

The Chair acknowledged Mr Coates and thanked him for his contribution and services over the last 12 months.

No conflicts of interest were declared by those present.

Leave of Absence

Nil

Confirmation of Minutes

Recommendation

A4160

That the Minutes of the Audit Committee meeting held on 17 June 2019 be taken as read and confirmed.

Moved Roberto Bria, Seconded Councillor Henschke

CARRIED

SUBSIDIARY PRESENTATION

The Chair welcomed Peta Mantzarapis – Project Director, Brownhill Keswick Creek Stormwater Project who presented to the Committee as part of the rotating series of presentations from Council subsidiaries.

Roberto Bria left the Chamber at 6.32pm and returned at 6.32pm.

Action List Review and Policy Tracking Table (For Noting)

Policy Tracking Table – Noted

Action List Review will be provided to the October meeting of the Committee

Reports of Officers**External Audit Update (5.1)****Motion**

A4161

1. That the Report be received.
2. That the Audit Committee note the Interim Audit Management Letter issued by the External Auditors for the financial year ended 30 June 2019 and the Administration's response to these matters.

Moved Roberto Bria, Seconded Councillor Henschke

CARRIED

Audit Actions Register Update (5.2)**Motion**

A4162

1. That the Report be received.
2. That the Audit Committee note the status of the actions within the External and Internal Audit Register as at August 2019.

Moved Roberto Bria, Seconded Councillor Jones

CARRIED

Internal Review of Council Decisions (Section 270) Procedure Review (5.3)**Motion**

A4163

1. That the Report be received.
2. That the Audit Committee support the updated Internal Review of Council Decisions (Section 270) Procedures to be presented to Council for consideration and adoption.

Moved Councillor Henschke, Seconded Roberto Bria

CARRIED

ERA Water (Standing Item)

Verbal Update provided on independent report.

Confidential Items**Local Government Risk Services – Cyber Risk Assessment (6.1)**

A4164

Pursuant to section 90(2) of the *Local Government Act 1999*, the Committee orders that all members of the public, except the Members of the Council Audit Committee, the General Manager Corporate and Development, the Group Manager Finance and Governance, the Acting Chief Executive Officer, Matthew Spearman, Helen Nikitenko, Councillor Cornish, Alan Harvey, Michelle Kennedy and the Principal Executive Officer be excluded from attendance at the meeting for Item 6.1 '*Local Government Risk Services – Cyber Risk Assessment*'.

The Committee is satisfied that pursuant to section 90(3)(e) of the Act, the information to be received, discussed or considered in relation to this Agenda relates to matters affecting the security of the council and council property, as the information contains sensitive cyber security information, the disclosure of which would affect the security of council property.

The public interest in disclosing to the public the report at this stage would on balance be outweighed by the public interest, in section 90(3)(e) of the *Local Government Act 1999*, in the Committee being able to discuss sensitive information for consideration in confidence without fear compromising council security as the information relates to cyber security risk assessment results for the City of Burnside following an audit.

The principle that the meeting be conducted in a place open to the public has been outweighed in these circumstances because the disclosure of this information could reasonably be expected to affect the security of council property and assets.

Moved Roberto Bria, Seconded Councillor Jones

CARRIED

Motion

A4165

That the Report be received.

Moved Roberto Bria, Seconded Councillor Jones

CARRIED

Confidential Recommendation

A4166

1. That, having considered the matter in confidence, pursuant to section 91(7) and (9) of the *Local Government Act 1999*, the Committee orders that:
 - 1.1 Attachment B relating to this agenda item remain confidential on the basis that the report contains sensitive cyber security information, the disclosure of which would affect the security of council property, pursuant to Section 90(3)(e) of the *Local Government Act 1999*, as the information relates to cyber security risk assessment results for the City of Burnside following an audit; and
 - 1.2 Attachment B relating to this agenda item will not be available for public inspection for the period of five years at which time this order will be revoked / reviewed by the Council/Chief Executive Officer (CEO); and
 - 1.3 this confidentiality order will be reviewed by the Council/CEO at least once every 12 months.

2. That for the items named in clause 1 and associated sub clauses, unless:
 - 2.1 the period in respect of any order made under Section 91(7) of the *Local Government Act 1999* lapses; or
 - 2.2 Council resolves to revoke an order made under Section 91(7) of the *Local Government Act 1999*; or
 - 2.3 the CEO determines pursuant to delegated authority that the order be revoked;any discussions of the Committee on the matter and any recording of those discussions are to be treated as confidential.

Moved Roberto Bria, Seconded Harvey Jones

CARRIED

Proposed Eastern Health Authority Service / Cost Review (6.2)

A4167

Pursuant to section 90(2) of the *Local Government Act 1999*, the Committee orders that all members of the public, except the Members of the Council Audit Committee, the General Manager Corporate and Development, the Group Manager Finance and Governance, the Acting Chief Executive Officer, Councillor Cornish, Alan Harvey, Michelle Kennedy and the Principal Executive Officer be excluded from attendance at the meeting for Item 6.2 'Proposed Eastern Health Authority Service / Cost Review'.

The Committee is satisfied that pursuant to section 90(3)(b) of the *Local Government Act 1999*, the information to be discussed includes the strategy and a request for quote document relating to a proposed cost review, the information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom a Council Subsidiary is proposing to conduct business with and would prejudice the commercial position of the Council Subsidiary.

Disclosure would prejudice the commercial position of the Council Subsidiary as this information is only known to the Council and its Subsidiary and provide commercial advantage to a person's with whom the council subsidiary is proposing to conduct business through a tender process.

In addition pursuant to section 90(3)(k) of the Act, the information to be received, discussed or considered in relation to this Agenda Item are tenders for the provision of services as it relates to a tender for the provision of services yet to be carried out.

The principle that the meeting be conducted in a place open to the public has been outweighed in these circumstances because the disclosure of this information could reasonably be expected to affect future tender processes and outcomes

Moved Roberto Bria, Seconded Councillor Henschke

CARRIED

Motion

The Committee invited Councillor Cornish to speak who was present for this item, noting that he is the current Chair of the EHA Board.

A4168

1. That the Report be received.
2. That the Audit Committee note the concerns raised to the Eastern Health Authority by the Town of Walkerville and their response to these concerns.

3. That the Audit Committee note that this does not impact on the adoption of Eastern Health Authority's budget for 2019/2020.
4. That the Audit Committee provides feedback to the EHA CEO on the draft 'Request for Quote' document relating to a service review for the Eastern Health Authority prior to eventual presentation to Council, noting that Council may require advice from the Audit Committee before providing final feedback.

Moved Councillor Jones, Seconded Roberto Bria

CARRIED

Confidentiality Recommendation

A4169

1. That having considered Agenda Item 6.2 'Proposed Eastern Health Authority Service / Cost Review' in confidence under section 90(3)(b), section 90(3)(k) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that:
 - 1.1. The report and attachments relating to Agenda Item 6.2 remain confidential pursuant to section 90(3)(b) of the *Local Government Act 1999* as the information could reasonably be expected to confer a commercial advantage on a person with whom the council subsidiary is proposing to conduct business, or to prejudice the commercial position of the council subsidiary and section 90(3)(k) as it relates to information regarding a tender for the provision of services yet to be carried out.
 - 1.2. The public interest in disclosing to the public the full details of the evaluation at this stage would on balance be outweighed by the public interest, in section 90(3)(b) and 90(3)(k) of the *Local Government Act 1999*, in the Committee being able to discuss sensitive information for consideration in confidence without fear of prejudicing the position of the subsidiary by providing a commercial advantage to a person with whom the council subsidiary is proposing to conduct business.
 - 1.3. The principle that the meeting be conducted in a place open to the public has been outweighed in these circumstances because the disclosure of this information could reasonably be expected be used by market participants to achieve an advantage because it relates to the scope for a tender which has not been awarded yet.
 - 1.4. The report and attachments will not be available for public inspection for a period of 12 months at which time this order will be revoked / reviewed by the Chief Executive Officer (CEO); and
 - 1.5. The order will be reviewed at least once every 12 months by the CEO.
2. That for the item named in clause 1 and associated sub clauses, unless:
 - 2.1. the period in respect of any order made under section 91(7) of the *Local Government Act 1999* lapses; or
 - 2.2. Council resolves to revoke an order made under section 91(7) of the *Local Government Act 1999*; or
 - 2.3. the CEO determines, pursuant to the delegated authority which this resolution provides, that the order be revoked;

any discussion of the Audit Committee on the matter and any recording made of those discussions are to be treated as confidential.

Moved Roberto Bria, Seconded Councillor Jones

CARRIED

Service Review – Street Verge Maintenance Program (6.3)

A4170

Pursuant to section 90(2) of the *Local Government Act 1999*, the Committee orders that all members of the public, except the Members of the Council Audit Committee, the General Manager Corporate and Development, the Group Manager Finance and Governance, the Acting Chief Executive Officer, Councillor Cornish, Alan Harvey, Michelle Kennedy and the Principal Executive Officer be excluded from attendance at the meeting for Item 6.3 'Service Review – Street Verge Maintenance Program'.

The Committee is satisfied that pursuant to section 90(3)(b) of the *Local Government Act 1999*, the information to be received, discussed or considered is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct business and must be considered in confidence to ensure the pricing information of firms which has been obtained through an open tender process is protected. The report attachment includes commercial in confidence information. In addition the Committee is satisfied that pursuant to section 90(3)(d) of the *Local Government Act 1999* the report contains commercial information of a confidential nature (not being a trade secret).

Further the principle that the meeting be conducted in a place open to the public has been outweighed in these circumstances because the disclosure of this information could reasonably be expected to be used by market competitors in tendering processes which would potentially enable these entities to see pricing evaluation and scoring, and as such achieve an advantage in future negotiations relating to service reviews, and compromise information or prejudice the commercial position of Council or the commercial position of the parties who supplied information through the tender process.

Moved Roberto Bria, Seconded Councillor Jones

CARRIED

Motion

A4171

1. That the Report be received.
2. That the Audit Committee note that the Administration intend to present a Report to Council by October 2019, based on the adoption of Scenario 4 (to retain the current service provision and standards and add verges to the maintenance list upon request of the property occupier) as outlined in the report.
3. That the Audit Committee note the outcomes of the Street Verge Maintenance Program (SVMP), previously initiated by Council through the Efficiency and Effectiveness Program.

Moved Roberto Bria, Seconded Councillor Jones

CARRIED

Confidentiality Recommendation

A4172

1. That, having considered the matter in confidence, pursuant to section 91(7) and (9) of the *Local Government Act 1999*, the Committee orders that:

- 1.1 Attachment A relating to this agenda item remain confidential on the basis that the report contains information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct business and must be considered in confidence to ensure the pricing information of firms which has been obtained through an open tender process is protected, pursuant to Section 90(3)(b) of the Act. The report attachment also includes commercial in confidence information. In addition in making this order the Committee is satisfied that pursuant to section 90(3)(d) of the Local Government Act 1999 the report contains commercial information of a confidential nature (not being a trade secret).
 - 1.2 Attachment A relating to this agenda item will not be available for public inspection for the period of five years at which time this order will be revoked / reviewed by the Council/Chief Executive Officer (CEO); and
 - 1.3 this confidentiality order will be reviewed by the Council/CEO at least once every 12 months.
2. That for the items named in clause 1 and associated sub clauses, unless:
- 2.1 the period in respect of any order made under Section 91(7) of the *Local Government Act 1999* lapses; or
 - 2.2 Council resolves to revoke an order made under Section 91(7) of the *Local Government Act 1999*; or
 - 2.3 the CEO determines pursuant to delegated authority that the order be revoked;
- any discussions of the Committee on the matter and any recording of those discussions are to be treated as confidential.

Moved Roberto Bria, Seconded Councillor Henschke

CARRIED

Other Business

Nil resolved for inclusion.

Forward Program

Noted

Correspondence

Nil

Date of Next Meeting

Recommendation

That the Audit Committee convenes on the 28 October 2019.

Closure

The meeting concluded at 8.28pm.

Minutes confirmed this day of 2019

Chairperson