



The Barossa Council

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE
OF THE BAROSSA COUNCIL**

held on Tuesday 20 December 2016 , commencing at 11.37am in the
Council Chambers, 43-51 Tanunda Road, Nuriootpa

1. WELCOME

The Chair, Mr Peter Brass, welcomed everyone to the meeting at 11.37am.

2. PRESENT

Mr Peter Brass, Mr James Heuzenroeder, Ms Tanya Johnston, Cr John Angas,
Cr Scotty Milne

Invited Staff Members

Mr Martin McCarthy, Chief Executive Officer
Ms Jo Thomas, Director Community Projects
Ms Tania Paull, Acting Group Manager Corporate Services
Ms Vicky Rohrlach, Acting Manager Financial Services
Ms Nicole Rudd, Internal Control Compliance Officer
Ms Annette Randall, Executive Assistant (Minute Secretary)

In Attendance

Ms Susan Law, Managing Director Australia, LKS Quaero Pty Ltd
Mr Sam Robinson, Director Leadership and Culture, LKS Quaero Pty Ltd

3. APOLOGIES

Mr Mark Lague, Group Manager Corporate Services

4. CONFIRMATION OF MINUTES FROM PREVIOUS MEETING

MOVED Ms Johnston that the Minutes of the Ordinary Audit Committee Meeting held
19 October 2016, be confirmed as a true and correct record of the proceedings of that
meeting

Seconded Mr Heuzenroeder

CARRIED 2016-17/13

5. BUSINESS ARISING FROM PREVIOUS MINUTES

Nil

Mr Brass approved the request to consider the Confidential Report 9.1.1 at this point in
the meeting so that the attending Consultants from LKS Quaero Pty Ltd could leave the
meeting at the closure of the confidential matter.

9.1 CONFIDENTIAL MATTER – 11.38AM

9.1.1 SERVICE REVIEW PROJECT – PRESENTATION OF STAGE 1 DRAFT REPORT

The matter of the agenda item being a Report on the commercial in confidence draft report for Stage 1 of the Service Review Project and pursuant to Section 90(3) (d) of the Local Government Act 1999 ("the Act") being commercial information of a confidential nature (not being a trade secret) the disclosure of which— (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and (ii) would, on balance, be contrary to the public interest; and being information that must be considered in confidence in order to ensure that the Audit Committee does not disclose commercially sensitive information while the Service Review Report is still in draft format and subject to further development and consideration.

There is strong public interest in enabling members of the public to observe Council's transparent and informed decision-making. This helps to ensure accountability, maintain transparency of public expenditure, facilitate public participation, assist public awareness and allow for the scrutiny of information. Attendance at an Audit Committee meeting is one means of satisfying this interest. The public will only be excluded from a Council meeting when the need for confidentiality pursuant to Section 90(2) of the Act outweighs the public interest of open decision-making.

In this matter, the reason that receipt, consideration or discussion of the information or matter in a meeting open to the public would be contrary to the public interest is that it contains draft information in a format that relies on the commercial in confidence methodology and intellectual property of the consultant engaged to conduct the Service Review.

On balance, the above reason which supports the need for confidentiality pursuant to Section 90(2) of the Act outweighs the factors in favour of the public interest of open decision-making.

MOVED Cr Milne that the Audit Committee,

- (1) Under the provisions of Section 90(2) of the Local Government Act 1999, make an order that the public be excluded from the meeting with the exception of the Chief Executive Officer, Community Project Director, Acting Group Manager Corporate Services, Acting Manager Financial Services, Internal Control Compliance Officer, Managing Director Australia and Director, Leadership and Culture of consultants LKS Quaero Pty Ltd, and the Minute Secretary, in order to consider in confidence a report relating to the Service Review Project, Presentation of Stage 1 Draft Report and in accordance with Section 90(3) (d) of the Local Government Act 1999 ("the Act") being commercial information of a confidential nature (not being a trade secret) the disclosure of which— (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and (ii) would, on balance, be contrary to the public interest;
- (2) Accordingly, on this basis, the Audit Committee is satisfied that public interest in conducting meetings in a place open to the public has been outweighed by the need to keep the information and discussion confidential to comply with the

Audit Committee's obligation not to release draft report information in a format that relies on the commercial in confidence methodology and intellectual property of the consultant (LKS Quaero Pty Ltd) engaged to conduct the Service Review.

Seconded Mr Heuzenroeder

CARRIED 2016-17/14

RESUMPTION OF OPEN COMMITTEE MEETING – 1.05PM

The open meeting of the Committee resumed at 1.05pm.

Ms Law and Mr Robinson left the meeting at this time.

In the matter 9.1.1 – Service Review Project – Presentation of Stage 1 Draft Report,

MOVED Cr Milne that the Audit Committee:

- (1) Confidential Resolution
- (2) Confidential Resolution
- (3) Confidential Resolution
- (4) Confidential Resolution
- (5) Confidential Resolution
- (6) Having considered this matter in confidence under Section 90(2) and 90(3)(d) of the Local Government Act 1999, makes an order pursuant to Section 91(7), that the agenda report, associated documents and minutes, other than the minutes relating to this confidentiality order of the Confidential Audit Committee Meeting held on 20 December 2016 in relation to confidential item 9.1.1 Service Review Project, Presentation of Stage 1 Draft Report, be kept confidential and not available for public inspection other than information required to be released in accordance with any relevant requirements of Section 91(8) of the Local Government Act 1999: and
- (7) In accordance with (6) above and section 91(9)(c) of the Local Government Act 1999, authorises the Chief Executive Officer to review and revoke the order.

Seconded Mr Heuzenroeder

CARRIED 2016-17/15

6. CONSENSUS AGENDA

7. ADOPTION OF CONSENSUS AGENDA

7.1 ITEMS FOR EXCLUSION FROM THE CONSENSUS AGENDA

Nil

7.2 RECEIPT OF CONSENSUS AGENDA

MOVED Mr Heuzenroeder that the items contained in the Consensus Agenda be received and that any recommendations contained therein be adopted.
Seconded Cr Angas **CARRIED 2016-17/16**

8. DEBATE AGENDA

8.1.1

DRAFT AUDIT COMMITTEE 2017 WORK PLAN **B4256**

Mr Brass requested that the Work Plan be aligned to the financial year rather than the calendar year and include timing of meetings. He also suggested that officers contact the external auditors and request their planned audit dates for 2017. Mr Brass will liaise further with Mr Lague in regard to suitable dates.

MOVED Mr Heuzenroeder that the Audit Committee approve the draft Audit Committee Work Plan for 2017, subject to alignment with the financial year and inclusion of dates.
Seconded Ms Johnston **CARRIED 2016-17/17**

PURPOSE

Draft Audit Committee Work Plan for 2017 is provided for approval.

REPORT

The draft work plan has been formulated based on a model developed by the Local Government Association.

The work plan has been prepared to include all proposed reports, policy reviews, compliance reviews for 2017 and will be used for action tracking during 2017.

ATTACHMENTS OR OTHER SUPPORTING REFERENCES

Attachment: Audit Committee Work Plan 2017

COMMUNITY PLAN / CORPORATE PLAN / LEGISLATIVE REQUIREMENTS

Corporate Plan



How We Work – Good Governance

- 6.2 Ensure that Council's policy and process frameworks are based on principles of sound governance and meet legislative requirements.
- 6.16 Provide contemporary internal administrative and business support services in accordance with mandated legislative standards and good practice principles.

Legislation

Local Government Act 1999 – Section 126

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Adoption and adherence to an annual work plan is a risk management tool.

COMMUNITY CONSULTATION

Not required under legislation or Council's Public Consultation Policy.

ACTIONS:

- *Acting Manager Financial Services align the Work Plan for 2017 to the financial year and include dates.*
- *Acting Manager Financial Services to request planned audit dates from the external auditors.*

10.1 AUDIT COMMITTEE ACTION TRACKING

MOVED Cr Milne that the progress of the Audit Committee Action Tracking report be received.

Seconded Cr Angas

CARRIED 2016-17/18

11. OTHER BUSINESS

Nil

12. NEXT MEETING

To be advised.

13. CLOSURE OF MEETING

There being no further business, Mr Brass wished everyone a Merry Christmas and healthy and safe New Year and closed the meeting at 1.10pm.

Confirmed:

Chairman:

Date:



CONFIDENTIAL

**CONFIDENTIAL MINUTES
OF THE MEETING OF THE AUDIT COMMITTEE OF THE BAROSSA COUNCIL
held pursuant to the provisions of Section 90(2) of the Local Government Act
1999, on Tuesday 20 December 2016 commencing at 11.38am**

MEMBERS PRESENT

Mr Peter Brass, Mr James Heuzenroeder, Ms Tanya Johnston, Cr John Angas,
Cr Scotty Milne

OFFICERS PRESENT

Mr Martin McCarthy, Chief Executive Officer
Ms Jo Thomas, Director Community Projects
Ms Tania Paull, Acting Group Manager Corporate Services
Ms Vicky Rohrlach, Acting Manager Financial Services
Ms Nicole Rudd, Internal Control Compliance Officer
Ms Annette Randall, Executive Assistant (Minute Secretary)

APOLOGIES

Nil

In Attendance

Ms Susan Law, Managing Director Australia, LKS Quaero Pty Ltd
Mr Sam Robinson, Director Leadership and Culture, LKS Quaero Pty Ltd

9.1 CONFIDENTIAL MATTER – 11.38AM

9.1.1

SERVICE REVIEW PROJECT – PRESENTATION OF STAGE 1 DRAFT REPORT

B5241

Author: Director Community Projects

Ms Law and Mr Robinson provided a presentation on the Service Review Project Stage 1 Draft Report and answered questions from the meeting.

MOVED Cr Milne that the Audit Committee:

- (1) Receives and notes The Barossa Council Service Review Stage 1 Draft Report (Draft Report) produced by LKS Quaero Pty Ltd dated 12 December 2016, Trim Ref: 16/86066.

OUT OF CONFIDENCE

- (2) Notes the content of the Comments and Issues Log capturing Officers' initial feedback on the Draft Report Trim Ref: 16/85745.
- (3) Undertakes that Audit Committee Members will provide any additional written feedback on the Draft Report to supplement the Comments and Issues Log to the Director Community Projects by the 31 December 2016.
- (4) Asks Officers to work with LKS Quaero Pty Ltd to deliver the outcomes of the contract and determine any level of out of scope resource and time required to finalise the draft report and allocate resources from existing budgets as required.
- (5) Notify the Audit Committee out of session of the timescales required and if the matter cannot be brought to a future meeting of the Audit Committee by the 31 January 2017 advise of the anticipated future meeting date before 31 January 2017.
- (6) Having considered this matter in confidence under Section 90(2) and 90(3)(d) of the Local Government Act 1999, makes an order pursuant to Section 91(7), that the agenda report, associated documents and minutes, other than the minutes relating to this confidentiality order of the Confidential Audit Committee Meeting held on 20 December 2016 in relation to confidential item 9.1.1 Service Review Project, Presentation of Stage 1 Draft Report, be kept confidential and not available for public inspection other than information required to be released in accordance with any relevant requirements of Section 91(8) of the Local Government Act 1999: and
- (7) In accordance with (6) above and section 91(9)(c) of the Local Government Act 1999, authorises the Chief Executive Officer to review and revoke the order.

Seconded Mr Heuzenroeder

CARRIED CO2016-17/1

CLOSURE OF CONFIDENTIAL MEETING

There being no further business, the confidential meeting closed at 1.05pm.

Confirmed:

Chairman:

Date: