



# AUDIT AND RISK COMMITTEE

## Minutes

for the meeting on

Friday, 6 February 2026

in the Colonel Light Room, Adelaide Town Hall

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Our Adelaide.  
**Bold.**  
**Aspirational.**  
**Innovative.**

**Present:**

<b>Presiding Member</b>	<b>Nicolle Rantanen Reynolds</b>
<b>Committee Members</b>	<b>The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex officio)</b> <b>Mark Davies</b> <b>Matthew Fletcher</b> <b>John Jovicevic</b> <b>Councillor Janet Giles</b>

**1 Acknowledgement of Country**

The Presiding Member read the Acknowledgement of Country, in Kaurna language.

**2 Apologies and Leave of Absence**

Nil

**3 Confirmation of Minutes**

Moved by John Jovicevic,  
Seconded by Matthew Fletcher -

That the Minutes of the meetings of the Audit and Risk Committee held on 14 November 2025 and 27 November 2025, be taken as read and be confirmed as an accurate record of proceedings.

Carried

**4 Declaration of Conflict of Interest**

John Jovicevic declared a general conflict of interest in Item 6.5 [2025/26 Business Plan & Budget Q2 Review], pursuant to Section 74 of the *Local Government Act 1999 (SA)* as he is a Director at Dean Newbery who is the auditor for the Brown Hill Keswick Creek Stormwater Board and that he would stay in the room and participate in the discussion.

**5 Presiding Member Reports**

Nil

**6 Reports**

The Presiding Member, Nicolle Rantanen Reynolds, advised the meeting that the external representative required to be in attendance for consideration of Item 6.1 was not yet present and sought leave of the meeting to commence from Item 6.2 on the Agenda.

Leave was granted

**6.2 Internal Audit Scopes**

Peter Horsman and Paul Phillips of BDO were present to provide an overview of the report and respond to questions.

Discussion ensued during which Councillor Janet Giles entered the Colonel Light Room at 9.07 am.

It was then –

Moved by Mark Davies,  
Seconded by John Jovicevic -

**THAT THE AUDIT AND RISK COMMITTEE**

1. Notes the Legislative Compliance Review Internal Audit scope as contained in Attachment A to Item 6.2 on the agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.

2. Notes the Strategic Risk Assessment and Alignment Internal Audit scope as contained in Attachment B to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
3. Notes the Strategic Planning, Governance and Organisational Reporting Internal Audit scope as contained in Attachment C to Item 6.2 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.

Carried

### **6.3 2026 Audit and Risk Committee Work Plan**

Moved by Matthew Fletcher,  
Seconded by John Jovicevic -

#### THAT THE AUDIT AND RISK COMMITTEE

1. Approves the Audit and Risk Committee work plan proposed for 2026 as contained in Attachment A to Item 6.3 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026, to guide Audit and Risk Committee activity during 2026.

Carried

### **6.4 2026/27 BP&B – priorities, parameters, assumptions and current position**

Workshop facilitators:

Anthony Spartalis, Chief Operating Officer  
Nicole Van Berkel, Manager, Financial Planning and Reporting

Precis of Topic:

- The roadmap for the 2026/27 Business Plan and Budget
- 2026/27 priorities discussed with Council Members
- Current budget position as per the Long Term Financial Plan (LTFP)
- Funding scenarios for the Adelaide Economic Development Agency.

It was then –

Moved by Mark Davies,  
Seconded by John Jovicevic

#### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the 2026/27 BP&B – roadmap, process, priorities and the current budget position presented.

Carried

### **6.5 2025/26 Business Plan & Budget Q2 Review**

Discussion ensued

It was then –

Moved by Councillor Janet Giles,  
Seconded by John Jovicevic -

#### THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

#### THAT COUNCIL

1. Receives the City of Adelaide 2025/26 Business Plan and Budget Quarter 2 update as contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
2. Approves adjustments for the 2025/26 Business Plan and Budget (BP&B) as identified in this report and contained in Attachment A to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held 6 February 2026.

3. Notes the year-to-date Operating (Financial Performance) for the quarter ending 31 December 2025, which includes:
  - 3.1. An operating surplus of \$12.515m (\$6.468m higher than the budget of \$6.047m, for the period)
  - 3.2. Total operating revenue of \$128.712m (\$1.667m higher than the budget of \$127.045m, for the period)
  - 3.3. Total operating expenses (including depreciation) of \$116.197m (\$4.801m lower than the budget of \$120.998m, for the period)
  - 3.4. Total Capital Expenditure of \$33.516m (\$0.122m less than the budget of \$33.638m, for the period)
  - 3.5. Net cash surplus position of \$9.803m.
4. Approves budgeted year end Operating Position, which includes:
  - 4.1. An operating surplus of \$8.541m (consistent with the adopted budget of \$8.541m)
  - 4.2. Total operating revenue of \$253.282m (\$1.711m higher than the adopted budget of \$251.571m)
  - 4.3. Total operating expenses (including depreciation) of \$244.741m (\$1.711m higher than the Q1 budget of \$243.030m).
5. Approves total capital expenditure of \$120.663m for 2025/26 year (\$1.630m lower than the Q1 budget of \$122.293m).
6. Approves total borrowings of \$50.677m projected to 30 June 2026 (\$1.141m lower than the Q1 projected borrowings of \$51.818m to 30 June 2026).
7. Receives the Council Subsidiary Quarter 2 updates as contained as Attachments B, C, D and E to Item 6.5 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.

Carried

## **6.6 Unsolicited Proposals Policy and Guideline**

Discussion ensued

It was then –

Moved by Matthew Fletcher,  
Seconded by Mark Davies -

### THAT THE AUDIT AND RISK COMMITTEE:

1. Notes the Strategic Risk and Internal Audit Group's internal Unsolicited Proposals Policy as contained in Attachment A to Item 6.6 on the Agenda for the Audit and Risk Committee meeting held on 6 February 2026.
2. Notes the Strategic Risk and Internal Audit Group's internal Unsolicited Proposal Guidelines as contained in Attachment B to Item 6.6 on the Agenda for the Audit and Risk Committee meeting held on 6 February 2026.

Carried

### COO Undertaking – State Government Unsolicited Proposals Policy/Process

An undertaking was given to circulate a copy of the State Government Policy/Process relating to Unsolicited Proposals to Audit and Risk Committee members.

## **6.7 Internal Audit Progress Report**

Discussion ensued

It was then –

Moved by Mark Davies  
Seconded by Mathew Fletcher

### THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress of the Internal Audit Plan as contained in Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.

2. Notes the progress of the completion of Internal Audit Actions as contained in Item 6.7 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.

Carried

**7 Emerging Key Risks**

Nil

**8 Independent Member Discussion**

Nil

**9 Other Business**

Nil

**10 Exclusion of the Public**

Moved by John Jovicevic  
Seconded by Mark Davies

ORDER TO EXCLUDE FOR ITEM 11.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (b) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 6 February 2026 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 11.1 [Activity of Strategic Risk and Internal Audit Group] listed on the Agenda.

Grounds and Basis

This Item is confidential in nature because the report includes information on Council litigation. The disclosure of information in this report could reasonably be expected to prejudice the outcome of Council's actual litigation.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 6 February 2026 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 11.1 [Activity of Strategic Risk and Internal Audit Group] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (b) of the Act.

Carried

Members of the public and Corporation staff not involved with Item 11.1 left the Colonel Light Room at 10.01 am.

**11 Confidential Item**

**11.1 Activity of Strategic Risk and Internal Audit Group [S90(3) (i)]**

The meeting re-opened to the public at 10.08 am.

Confidentiality Order

**Item 11.1** - Activity of Strategic Risk and Internal Audit Group

Resolution & Confidentiality Order

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the report will be provided to the next meeting of the Council as part of the confidential report of the Audit and Risk Committee.
2. In accordance with Section 91 (7) & (9) of the *Local Government Act 1999* (SA) and on the grounds the Item 11.1 [Activity Strategic Risk and Internal Audit Group] listed on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026 was received, discussed and considered in confidence pursuant to Section 90 (3) (i) of the *Local Government Act 1999* (SA) this meeting of the Audit and Risk Committee, do order that:
  - 2.1. The resolution becomes public information and is included in the Minutes of this meeting
  - 2.2. The report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2032.
  - 2.3. The confidentiality of this matter be reviewed in December 2026
  - 2.4. The Chief Executive Officer or delegate authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked.

**6.1 2025-26 End of Year Financial Reporting Process & External Timetable**

Tim Muhlhausler, Director, Galpins was present to provide an overview of the report and respond to questions.

It was then –

Moved by Mark Davies,  
Seconded by John Jovicevic -

THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the endorsement by the Audit and Risk Committee that the External Audit Plan, as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026, is consistent with the scope of the External Audit engagement and relevant legislation and standards.
2. Approves the proposed 2025-26 End of Year Financial Reporting process and External Audit Timetable as contained in Attachment A to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
3. Notes the External Auditor's independence declaration in relation to the audit engagement for the year ended 30 June 2026 as detailed in Attachment B to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
4. Approves the External Audit Letter of Engagement as contained in Attachment B to Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 6 February 2026.
5. Authorises the certification of the financial statements, in their final form, to be signed by the Chief Executive Officer and the principal member of Council as set out in Part 4 (14) of the Regulations.

Carried

**Closure**

The meeting closed at 10.25 am

Nicolle Rantanen Reynolds  
Presiding Member  
**Audit and Risk Committee**

Documents Attached:

Nil