

**MINUTES OF A MEETING OF THE BROWN HILL
AND KESWICK CREEKS STORMWATER BOARD'S
AUDIT AND RISK COMMITTEE**

HELD WEDNESDAY 23 OCTOBER 2019

The Ward Room at The Naval, Military and Air Force Club 111 Hutt Street, Adelaide
on Wednesday 23 October 2019 commencing at 5.30pm.

MEMBERSHIP

J Choate (Chairperson)
R Barratt (Board Member)
P Gelston (Board Member)
G Vogt (Board Member)
Justin Humphrey (Independent)

ATTENDEES

Peta Mantzarapis (Project Director)
P Coonan (Project Secretariat)

Acknowledgement of Country

We would like to acknowledge this land that we meet on today is the traditional lands for the Kurna people and that we respect their spiritual relationship with their country.

We also acknowledge the Kurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kurna people today.

MINUTES

MEETING OF THE BROWN HILL AND KESWICK CREEKS STORMWATER BOARD'S AUDIT AND RISK COMMITTEE

Meeting held Wednesday 23 October 2019

Commencing at 5.30pm

1. Meeting Administration

1.1 Present

- Judith Choate (Chairperson)
- Rachel Barratt (Board Member)
- Paul Gelston (Board Member)
- Geoff Vogt (Board Member)
- Peta Mantzarapis, Project Director
- Patricia Coonan, Project Secretariat

1.2 Apologies

- Justin Humphrey

1.3 Minutes

Moved: Geoff Vogt
Seconded: Paul Gelston

BHKCSB ARC 10/19-20

That the minutes of the meeting of the Brown Hill and Keswick Creeks Stormwater Board's Audit and Risk Committee held on 8 August 2019 are accepted as a true and correct record.

CARRIED

1.4 Declaration of Interests

Nil

2. Action items

The committee discussed the outstanding actions and noted the following action:

Map the BHKCS regional subsidiary against the Internal Controls Better Practice Model – this is a recommendation that came from the audit report. Dallas will be asked to review what policies the subsidiary needs so that they can be implemented before the next audit process.

3. Discussion items

3.1 Draft Policies – for consideration of the committee

3.1.1 Policy Summary

Noted.

3.1.2 Draft Credit Card, Electronic Payments and Expense Reimbursement Policy

This is a single policy consolidating three separate policies that are now out of date in an effort to ensure the policy is clear and concise. The committee discussed the policy and the following was noted:

- An assessment criteria before payments are approved has been included at section 5.4 – Project Director to add in ‘obtain (if not provided) the ABN of the supplier and verify that it is still current), verify that goods and services are as per the contract and in accordance with the purchase requisition (standard due diligence).
- The reporting process to the Board is via provision of the financial statements to Board meetings. All invoices are entered into the Xero accounting software and once a month they are taken over to the bank. Xero account access sits with Board members and project expenses are provided by way of the individual project reports.

Moved: Judith Choate

Seconded: Geoff Vogt

BHKCSB ARC 11/19-20

That the Audit and Risk Committee recommends to the Brown Hill and Keswick Creeks Stormwater Board that the ‘Credit Card, Electronic Payments and Expense Reimbursement Policy’ be adopted with minor amendments made at this meeting.

CARRIED

3.1.3 Draft Financial Delegations Policy

This policy has been presented to this committee previously, but it needed to be reframed per the Terms of Reference for the Technical Assessment Panel and it is based on the City of Burnside Policy.

The committee discussed the policy and agreed with all the changes that have been made.

Moved: Geoff Vogt
Seconded: Paul Gelston

BHKCSB ARC 12/19-20

That the Audit and Risk Committee recommends to the Brown Hill and Keswick Creeks Stormwater Board that the 'Financial Delegations Policy' be adopted.

CARRIED

3.1.4 Draft Technical Assessment Panel Terms of Reference

The Terms of Reference have been reframed per previous discussions around removing the Panel's role in approving procurements. The procurement policy was adopted by the Board a few months ago and this revised Terms of Reference takes the policy into consideration. The following changes were noted:

- Clause 29 of the Charter references the Board's Chairperson residing on the Panel however the Terms of Reference doesn't discuss this. The Terms of Reference needs to be consistent with the Charter and the required amendment can be made to the policy after the Charter has been amended.
- Clause 7.3.2 to be reframed as it conflicts with clause 7.7. A Board Member can attend in the Chairpersons place if the Chairperson is an apology.
- Clause 7.7 – amend wording to “..... provided that the Executive Officer of the Board, or his/her delegate under clause 7.3.2, is present at each Panel meeting.”

Moved: Geoff Vogt
Seconded: Judith Choate

BHKCSB ARC 13/19-20

That the Audit and Risk Committee recommends to the Brown Hill and Keswick Creeks Stormwater Board that the 'Technical Assessment Panel Terms of Reference' be adopted with minor amendments made at this meeting.

CARRIED

3.1.5 Draft Submission Evaluation Process & Worksheet – the worksheet is attached as a separate excel file

The process sets out the framework for submissions that are received. The worksheet sets out how the weightings are factored in and takes into account individual assessments by the Panel.

The committee agreed that the weightings can be established as a general rule and then brought back to the Board to discuss by exception if they need to be altered for a specific submission.

The committee agreed on:

- 35% for price
- 30% for experience and capability
- 30% for approach
- 5% for local input

The committee agreed that the weightings should be included in tender documents and in the policy but noted that they are only for guidance and may be varied at the discretion of the Board and per project requirements.

Moved: Geoff Vogt

Seconded: Paul Gelston

BHKCSB ARC 14/19-20

That standard weightings for submissions will be included in the subsidiary tender documents and policy and that weightings will be brought back to the Board by exception for discussion and approval if required.

CARRIED

3.2 Tender documents for Project and Contract Management Services – South Park Lands Project

The documents are standard and based upon City of Adelaide documents with some parts of the City of Unley and City of Burnside documents referenced and included. The insurance information is in line with City of Adelaide and not higher than other reviewed tender documents. The committee discussed the insurance levels and are comfortable with them.

The committee noted the following:

- RFT – one service provider to provide two services?
- Under 'project management' on page 6, 2nd dot point – matters raised by who? The successful tenderer won't handle media enquiries and won't talk directly to Council CEOs, the Project Manager is a conduit (they can be the contact to perform their duties, but all other is reporting back to the Board and through the Project Director). This dot point should be reframed.
- Page 16: additional resources – should the dot point list apply to other areas where the price is involved? The committee agreed that they are not required in the lump sum price section.
- Page 5: table showing sub projects of the SMP and the 2016 budget – include a comment advising that these indicative figures are estimates only, prepared for the purpose of the SMP and shouldn't be used as guidance by any tenderer.
- A standard City of Adelaide service agreement is being adapted for the subsidiary and will go with the tender documents. Once the service agreement has been reviewed by Botton Levinson and signed off, the tender will be released. The committee agreed that the service agreement can be prepared in parallel with the release of the tender and that the tender can be released straight away so that responses are received by the November Board meeting.

Moved: Paul Gelston
Seconded: Judith Choate

BHKCSB ARC 15/19-20

That the Tender documents for Project and Contract Management Services for the South Park Lands project are endorsed as presented subject to minor changes and are to be released by select tender week beginning 28 October 2019.

CARRIED

3.3 Ownership and Control of Assets

The committee discussed the outcomes of the Owners Executive Committee meeting.

There is confusion over what control actually means with respect to the financial statements and the Project Director proposed that a document outlining the recommended accounting and financial treatment be provided to each Constituent Council to provide some clarification. This document was prepared by Justin Humphrey as part of a previous version of the position paper. The committee agreed that it is appropriate to provide this document.

One minor amendment was noted under section 2.1 (first line) of the position paper – removal of the word ‘in’ after ‘In order to arrive at a’.

4. Financial Update

4.1 Financial Summary

Noted.

4.2 YTD Financial Reports (to September 2019) – for noting

4.2.1 Statement of Comprehensive Income against Budget

It was noted that some June invoices carried over to July and the time required to set up the finance systems (doing everything for the first time) was underestimated and has generated a variance of \$9,000 for that budget line.

4.2.2 Statement of Financial Position

Noted.

4.2.3 Statement of Cash Position

Noted.

4.3 Other Finance Matters

4.3.1 Local Government Finance Authority – update by Project Director

Noted.

4.3.2 Stormwater Management Authority – update by Project Director

Noted.

5. Other business

Project Director and Project Secretariat to prepare a draft schedule of meetings for 2020.

6. Next meeting

15 January 2020

7. Meeting close

The meeting closed at 7:08pm.