



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

**HELD WEDNESDAY 20 MAY 2020**

Via Zoom Video Conference  
on Wednesday 20 May 2020 commencing at 5.30pm.

**MEMBERSHIP**

Judith Choate, Chairperson  
Rachel Barratt, Board Member  
Paul Gelston, Board Member  
Geoff Vogt, Board Member  
Justin Humphrey, Independent Member

**OTHER ATTENDEES**

Peta Mantzarapis, Project Director  
Patricia 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

### BROWN HILL AND KESWICK CREEKS STORMWATER BOARD'S AUDIT AND RISK COMMITTEE

Meeting Wednesday 20 May 2020

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)
- Justin Humphrey (Independent Member)
- Peta Mantzarapis, Project Director
- Patricia Coonan, Project Secretariat

##### 1.2. Apologies

Nil

##### 1.3. Minutes of the Previous Meeting

**Moved:** Paul Gelston

**Seconded:** Rachel Barratt

##### **BHKCSB ARC 17/19-20**

That the minutes of the meeting of the Brown Hill and Keswick Creeks Stormwater Board's Audit and Risk Committee held on Wednesday 19 February 2020 are accepted as a true and correct record.

**CARRIED**

##### 1.4. Declaration of Interests

It was noted that Paul Gelston will be commencing with the Department of Planning, Transport and Infrastructure (DPTI) in a few weeks' time on a part-time basis and it is not expected that this will pose a conflict of interest, but is noted for disclosure.

## **2. Matters Arising from the Minutes**

### **2.1. Action Items outstanding/ongoing for the Committee**

The report was noted.

## **3. Finance Matters**

### **3.1. Financial Summary**

The committee discussed the financial summary and the following points were noted:

- A single authority bank account is proposed to be opened to allow the Project Director to draw funds for specific purposes requiring bank cheque (eg – Land Titles Office lodgement fees, compensation payments, statutory fees). Transfer of funds into this account will still require two (2) authorities. This account will essentially have a nil balance until funds are required to be drawn down by cheque. The committee would like to ensure the bank is emailed with advice on who the payee is to ensure the bank cheque is not made for an incorrect body. This will be added to the Project Director's email when organising the transfer authority. The Project Director will look at preparing a form or letter that can be signed by the second signatory that shows all the details and will also check if the bank will accept electronic signatures on this document.
- There are three forms to sign in relation to the accounts and Peta will execute them first before handing them on to Judith and Rachel.
- The committee is pleased to see two separate accounts, one for operational funds and one for capital contributions, this assists with understanding the amounts and reporting purposes.
- The Project Director will come back to the committee with options for how the single authority account will be managed.

### **3.2. Capital Works Funding Summary as at 30 April 2020**

The report was noted.

### **3.3. Statement of Comprehensive Income Against Budget YTD**

The report was noted.

### **3.4. Statement of Financial Position YTD**

The report was noted.

### **3.5. Statement of Cash Flows YTD**

The report was noted.

### 3.6. GST Advice

At the January 2020 meeting, the Audit and Risk committee requested advice regarding the requirement for Constituent Councils to pay Good and Services Tax (GST) on Capital Contributions. William Buck provided advice dated 23 March 2020 and this advice concludes that “following our review of The GST Act and other Australian Taxation Office (ATO) publications, our determination is that GST should be applied to the Capital Contributions made by the five councils to the regional subsidiary of BHKC”. The committee noted the advice that was provided as part of the agenda.

## 4. Draft Policies

### 4.1. Policy Summary

The summary was noted.

### 4.2. Prudential Management Policy

This policy was discussed at the last ARC meeting and the Project Director was asked to seek advice on the subsidiary works and whether they can fit within the definition of Drainage Works. KelledyJones have made amendments to the policy expanding the definition of major project and the level of value. The prudential project definition has also been expanded and the overall changes add more flexibility for the subsidiary.

It was noted that following the advice, BHKCS projects are generally considered drainage works so unless the Board requires a prudential report be prepared, it won't be required in most circumstances. The committee would still like to see best practice being followed and therefore agreed that a prudential report should be considered if a project cost exceeds \$7m (5% of total \$140m SMP estimate).

**Moved:** Paul Gelston

**Seconded:** Geoff Vogt

#### **BHKCSB ARC 18/19-20**

That a major project be defined as any project with an expected cost over \$7m (5% of \$140m).

**CARRIED**

**Moved:** Rachel Barratt

**Seconded:** Geoff Vogt

#### **BHKCSB ARC 19/19-20**

That the amendments to the Procurement Policy, including those made by Kelledy Jones, be endorsed and the policy be presented to the Board for adoption.

**CARRIED**

**4.2.1. Advice from Kelledy Jones**

The advice was noted and accepted.

**4.2.2. Section 48 of the Local Government Act 1999**

Noted.

**4.3. Risk Management Policy**

This policy has been prepared pursuant to the ISO3100 framework and in reference to the policies of the Constituent Councils. Kelledy Jones has also reviewed this policy. The policy indicated that all risks should be presented to the Board in the first instance, then the Board can refer risks to the Audit Committee.

Clause 5.3 relates to items that will be undertaken by the Board to achieve its risk management objectives. It was noted by the committee that it is not clear who is developing the project risk registers, how regularly we are monitoring and approving risk registers and similarly for the overall project risk register. The committee would like to see this section reordered into different levels of risk. The policy needs to be seen through the lens of what the Board actually does.

**4.4. Financial Delegations Policy**

This policy has been adopted by the Board previously, however amendments have been made relative to the delivery of projects. The policy recommends temporary delegations for the Project Manager and Contract Manager to enable construction works and supply contracts to be administered effectively and efficiently. Establishment of appropriate delegations will ensure the Project is equipped to respond rapidly to requests for variations to ensure successful delivery.

**Moved:** Paul Gelston

**Seconded:** Geoff Vogt

**BHKCSB ARC 20/19-20**

That:

1. The amendments to the Financial Delegations Policy be endorsed and the policy be presented to the Board for adoption.
2. The Project Director to include extra words outlining that 'works' are within the project scope and differentiate the roles between the Project Manager and Contract Manager

**CARRIED**

## 5. Other Business

### 5.1. Draft Budget

The committee discussed the draft budget and the following points were noted:

- A summary of operating and capital contributions is provided with a breakdown of what will be delivered for that funding.
- For the whole of project delivery strategy, the committee would like to see an explanation of how the figure is broken down.
- Under 2020/21 Budget Capital Expenditure: expand the sentence regarding grant funding application.
- Attachment 2 to the budget, on the chart, includes a line for Watson Avenue and Daily Road being due in 2021 but there is no funding allocated for that. The Project Director confirmed that this work is being delivered by the City of West Torrens, they will fund it upfront but will then seek funding from the subsidiary, this information is being worked through and will come to the Board for consideration in future. The Project Director will add a note to explain this.
- The Project Director is asked to check the Constitution/Charter regarding surplus funds and the subsidiaries obligation to return surplus funds back to Constituent Councils or hold it over.
- Under the Current and Upcoming Projects session, Victoria Park and Blue Gum Park: estimates at 70% design – add SMP estimates.
- Attachment 5, on the draft Operational Expenses Table – put in the budget and the forecast for 19/20.
- The whole of project delivery strategy has not been formally endorsed but has been discussed with the Board, OEC and SMA as a concept. The Project Director will present a scope of work after we have endorsement of the budget.
- The committee discussed timing of the South Park Lands Project and the options for delivery of these works.
- State Government Grant announcements will be around June. The amended budget will be provided to the Board for endorsement in June and will also be provided to the Constituent Councils.

### 5.2. Correspondence – Nicole Flint MP Letter to the Premier and Response to SMA

The SMA alerted the Project Director to a letter that had been presented to the Premier by Nicole Flint. A copy of the letter and the response was provided as part of the agenda. The committee would like the Project Director to contact Nicole direct to ask where this matter originated and to ensure her questions have been adequately addressed.

### 5.3 May Newsletter

The newsletter was noted.

## **6. Owners Executive Committee Discussion Items**

### **6.1. Draft OEC Agenda**

The committee discussed the draft agenda and the following amendments and discussion was noted:

- Fix numbering and include budget as a discussion item.
- The Board requires a directive on the ownership/control of assets discussion. The Project Director will put together both scenarios to be presented for decision.

7:09pm Geoff Vogt left the meeting.

## **7. Other Business**

### **7.1 Business Continuity Plan**

The committee would like the Project Director to put together a few paragraphs to demonstrate that we have turned our mind to the plan, for example: who will cover who when leave is required and how we are managing records/information.

7:12pm Geoff Vogt returned to the meeting.

## **8. Next Meeting**

15 July 2020

## **9. Meeting Close**

The meeting closed at 7:16pm.