
**MINUTES OF CONFIDENTIAL SPECIAL AUDIT & RISK COMMITTEE MEETING
HELD ONLINE VIA ZOOM
ON WEDNESDAY, 21 JUNE 2023 AT 9:10 AM**

PRESENT: Chairperson Corinne Garrett, Mr Peter Fairlie-Jones, Mr Peter Scargill, Cr Alison De Backer, Mayor Matt Larwood

IN ATTENDANCE: Chris White (Chief Executive Officer), Ginny Moon (Director City Corporate), John Pearce (Director City Growth and Development), Farlie Taylor (Director City Strategy Community and Culture), Victor Di Maria (Manager Corporate Services), Deborah Horton (Minute Secretary/Team Leader Governance and Risk), Andrew Alderson (Manager Finance) Michael Richardson (BRM Advisory).

9:10am the Meeting reopened via Zoom, and with quorum achieved, continued in confidence.

SHORT TERM SUSPENSION

Chairperson Corinne Garrett, with approval of two-thirds leave of the meeting, called for a short-term suspension of proceedings pursuant to Regulation 20 to facilitate a presentation and informal discussion until 11am.

Leave was granted.

Formal meeting procedures were suspended at 9:11am.

Director John Pearce, City Growth and Development gave a presentation and answered questions by Members.

9:30am Administration notified the Meeting of Zoom platform's link imminent expiry and that a new meeting link would be required to be sent for members to re-join to continue the meeting.

9:38am The Chair accepted Administration's notification and requested that the new link be sent to Members to rejoin the meeting effectively allowing a short break in meeting proceedings.

9:52am The meeting was resumed via a new Zoom link, with the Chair re-welcoming and reminding Members that it was in confidence and in a short-term suspension for informal discussion.

11:01am Chairperson Corinne Garrett, with approval of two-thirds leave of the meeting, called for a continuation of the short-term suspension of proceedings pursuant to Regulation 20 to facilitate further informal discussion until 11:30am.

Leave was granted.

Formal meeting procedures were suspended at 11:02am.

Formal meeting procedures resumed at 11:31am.

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5 CONFIDENTIAL ITEMS

5.1 STRATEGIC LAND PURCHASE

COMMITTEE RESOLUTION 2023/15

Moved: Mr Peter Fairlie-Jones

Seconded: Mr Peter Scargill

That Audit and Risk Committee recommend to Council:

1. Having considered Item **5.1 Strategic Land Purchase** receives and notes the report.
2. The Audit Committee is satisfied that the prudential review report covers the requirements under the *Local Government Act 1999* (SA) and Council's Prudential Review Policy 2017.
3. After consideration of the Draft Prudential Review Report & Risks, that Council considers the following key issues;
 - a. Council will need to understand that tenures of 3 + years may be required to increase the certainty of revenue/income.
 - b. That a sensitivity analysis be prepared regarding tenancy income and associated costs.
 - c. Prior to the Depot being moved, a business case/cost benefit analysis is undertaken.
 - d. Note that in the event the vacant property cannot be leased in a timely fashion Council's operating position will be impacted.
 - e. Note that depreciation for the buildings on this property are not currently included in the LTFP and will impact on Councils operating result during any lease hold period.
 - f. Noting that the LTFP includes conservative provision in relation to interest rates.
 - g. That the current leasehold revenue projections do not include any allowance for a potential tenancy incentive, and that this may impact leasehold revenue on the site.
 - h. That council consider the life cycle of a potential purchase will include the following stages:
 - I. Purchase and holding
 - II. Pursuing development
 - III. Depot relocation – subject to cost benefit
 - i. Note that staff have updated the risk register in accordance with the recommendations of the Prudential Review.
 - j. Note that there is an opportunity cost risk in regard to other Council projects that may need to be modified /removed including (but not limited to): future stormwater issues and parking solutions.
 - k. Seek a longer due diligence period if at all possible.
 - l. Note that the increased debt position of Council increases exposure to economic shocks including interest rate changes.

CARRIED

11:52am: The meeting came out of confidence.