

Minutes of the meeting of the Audit Committee of the City of Holdfast Bay held in the Mawson Room, Civic Centre, 24 Jetty Road, Brighton on Wednesday 9 December 2015 at 6:30pm.

PRESENT

Members

Chairman – Councillor J Smedley
Councillor R Snewin – at 6.35pm
Ms V Brown
Mr J Wood

Staff

General Manager Business Services – Mr IS Walker
Manager Finance – Mr J Newton
Internal Auditor – Ms L Mirovitskaya
Manager Finance & Administration Alwyndor Aged Care – Ms P Warburton

1. OPENING

The Chairman declared the meeting open at 6.30 pm.

2. APOLOGIES

2.1 Apologies Received - Mr S Spadevecchia

2.2 Absent - Nil

3. DECLARATION OF INTEREST

Members were reminded to declare their interest before each item.

4. CONFIRMATION OF MINUTES

Motion

That the minutes of the Audit Committee held on 14 October 2015 be taken as read and confirmed.

Moved by Mr Wood, Seconded by Councillor Smedley

Carried

5. QUESTIONS BY MEMBERS - Nil

6. MOTIONS ON NOTICE - Nil

8. REPORTS BY OFFICERS**8.1 Standing Items – December 2015**(Report No: 372/15)

The Audit Committee is provided with a report on standing items at each scheduled meeting.

Motion**1. That the Audit Committee advises Council it has received and considered a Standing Items Report addressing:**

- Monthly financial statements
- Internal control
- Risk management
- Whistleblowing
- Internal audit
- Economy and efficiency audits

2. That the Audit Committee recommends to Council that quarterly budget reviews (including the mid-year budget update) be reviewed by the Audit Committee prior to consideration by Council so that the Committee can provide comments and advice to Council for its consideration.

Moved Ms Brown, Seconded Mr Wood

Carried

8.2 Budget Update – as at 30 September 2015 (Report No: 375/15)

The first budget forecast update of the 2015/16 budget was undertaken as at 30 September 2015. It was prepared in accordance with the requirements under the Local Government (Financial Management) Regulations 2011. It was considered and adopted by Council at its meeting on 27 October 2015 and is presented for the Audit Committee to review and consider.

Motion

That the Audit Committee advises Council that it has considered the first budget update of the 2015/16 budget as at 30 September 2015 and is pleased to note that the forecast operating deficit has transformed into a forecast operating surplus.

Moved Ms Brown, Seconded Mr Wood

Carried

8.3 Three Year Internal Audit Update (Report No: 374/15)

This report provides an update on the progress of the Three Year Internal Audit Plan (2014-2017).

Motion

That the Audit Committee advises Council that it has received and considered the Internal Audit Update Report of December 2015 and recommends an increased focus on implementing a grant register and management framework.

Moved Councillor Snewin, Seconded Mr Wood

Carried

8.4 Financial Indicators (Report No: 376/15)

This report is presented in response to a resolution of the Audit Committee in August 2015 which called for a report explaining the details and relevance of existing financial indicators and to consider additional ratios and measures for Municipal and Alwyndor operations.

Motion

That the Audit Committee advises Council that it has considered a report on financial indicators.

Moved Ms Brown, Seconded Mr Wood

Carried

8.5 Schedule for Future Asset Class Revaluations (Report No: 379/15)

The Australian Accounting Standards require that assets carried at fair value are periodically revalued to ensure Council's financial statements provide users with accurate and meaningful information.

These valuations can be costly and time consuming exercises. To provide greater efficiency within the organisation a proposed timetable of when future valuations are to take place has been drafted and enclosed within the body of this report.

Motion

That the Audit Committee advises Council it received a report in relation to managing the timing of future asset revaluations.

Moved Mr Wood, Seconded Ms Brown

Carried

8.6 **2016 Meeting Schedule** (Report No: 379/15)

The Audit Committee typically determines its meeting schedule for a calendar year at its last meeting in the prior year.

Motion

That the Audit Committee adopts the following meeting schedule (subject to additional meetings being called if required):

- **Wednesday 17 February 2016**

Further dates to be determined at its meeting on 17 February 2016.

Moved Councillor Snewin, Seconded Ms Brown

Carried

9. **REPORTS BY MEMBERS**

10. **ACTION ITEMS**

The Action Items were tabled and discussed.

11. **VERBAL REPORTS BY OFFICERS**

11.1 Information Security

Mr Chris Bates, Manager Information Services gave a presentation to members on information security.

Motion

The Audit Committee advises Council it received a detailed presentation from the Manager Information Services on information security and supports management's approach to the implementation of unified management services and the allocation of appropriate resources to prevent unauthorised access to the network and information.

Moved Ms Brown, Seconded Mr Wood

Carried

12. **URGENT BUSINESS – SUBJECT TO THE LEAVE OF THE MEETING - Nil**

13. CONFIDENTIAL**13.1 External Auditor Appointment (Report No: 373/15)****Motion**

1. That under provisions of Section 90(2) of the Local Government Act 1999 an order be made that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer, General Managers and administrative staff in attendance in order to consider in confidence this item.
2. That the Chief Executive Officer is satisfied that it is necessary that the public be excluded to enable the Council to discuss and to consider the matter at the meeting on the following grounds:
 - b. information the disclosure of which –
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - (ii) would on balance, be contrary to the public interest.

Moved Councillor Snewin, Seconded Ms Brown

Carried

Order to Retain Documents in Confidence**Motion**

1. That an order be made under the provisions of Section 91(7) and (9) of the Local Government Act 1999 that the documents relating to Report No: 373/15 including:
 - Report
 - Attachmentrelating to discussion of the subject matter of that document, having been dealt with on a confidential basis under Section 90 of the Act, should be kept confidential on the grounds of information contained in 90(3)(b).
2. That the Chief Executive Officer be authorised to release the minutes relating to Report No 373/15 once the external auditor contract has been executed

3. This resolution will be reviewed within 12 months by the Council.

Moved Mr Wood, Seconded Ms Brown

Carried

14. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit Committee will be held on Wednesday 17 February 2016 in the Mawson Room, Civic Centre, 24 Jetty Road, Brighton.

14. CLOSURE

The Meeting closed at 8.47 pm.

CONFIRMED Wednesday 17 February 2016