

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 3 May 2017 at 6:30pm.

PRESENT

Members

Presiding Member – Councillor J Smedley
Councillor S Charlick
Mr J Wood
Mr S Spadevecchia – via phone
Mr S Tu

Staff

A/General Manager Business Services – Ms P Aukett
Manager Finance – Mr J Newton
Manager Finance & Administration Alwyndor Aged Care – Ms P Warburton
Corporate Planning Office – Mr M Terizakis
Manager Assets and Facilities – Mr R Mouveri

1. OPENING

The Chairman declared the meeting open at 6.30 pm.

2. APOLOGIES

- 2.1 Apologies Received - Nil
- 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 29 March 2017 be taken as read and confirmed.

Moved by John Wood, Seconded by Sean Tu

Carried

5. QUESTIONS BY MEMBERS - Nil

6. MOTIONS ON NOTICE - Nil

7. ADJOURNED ITEMS - Nil**8. REPORTS BY OFFICERS****8.1 Draft 2017-18 Annual business Plan (Report No: 142/17)**

At its meeting on 11 April 2017, Council considered the draft 2017-18 Annual Business Plan and Budget and approved its release for community consultation. Pursuant to its term of reference, the Audit Committee has an opportunity and responsibility to review and provide further advice to Council in relation to its Annual Business Plan.

Motion

That the Audit Committee advise Council that it has reviewed the Draft 2017-18 Budget and makes the following comments:

- 1. Generally satisfied with the format and content of the plan**
- 2. Recommends minor word changes in respect of the EPA waste levy, electricity, and fees and charges with CPI changes, our community in regard to ageing population.**

Moved Mr Tu, Seconded Mr Wood

Carried

8.2 Standing Items May 2017 (Report No: 139/17)

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

Motion

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**

Moved Mr Tu, Seconded Mr Wood

Carried

8.3 2017 Meeting Schedule (Report No: 138/17)

The Audit Committee received a report in January 2017 to determine its meeting schedule for a calendar year. The Committee decided to set the next two meeting dates in 2017. The Audit Committee has the opportunity to determine its meeting schedule for the remainder of the 2017 calendar year.

Motion

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

- **Wednesday 23 August 2017**
- **Wednesday 25 October 2017.**

Moved Mr Tu, Seconded Councillor Charlick

Carried

8.4 Audit Committee Terms of Reference Review (Report No: 140/17)

At its meeting on 29 March 2017 the Audit Committee received a report on its annual 2016 performance and recommended to Council that its terms of reference be reviewed having regard to its annual report. Council subsequently adopted this recommendation on 11 April 2017 (Minute C110417/726). This report recommends that the Audit Committee undertake a review of its terms of reference and to make recommendations to Council.

Motion

That the Audit Committee advises Council that it is undertaking a review of its Terms of Reference and will present its recommendations to Council when completed.

Moved Mr Wood, Seconded Mr Tu

Carried

8.5 Related Party Disclosures Policy (Report No: 141/17)

Councils general purpose financial reports are prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities. From 1 July 2016, the Australian Accounting Standards Board has determined that AASB 124 related party disclosures will apply to government entities, including local governments.

This means that all councils must disclose related party relationships, transactions and outstanding balances, including commitments, in their annual financial statements. This paper discusses the details of the accounting standard and proposes a process to meet its requirements.

Motion

The Audit Committee advises Council it has received a report on related party disclosures.

Moved Councillor Charlick, Seconded Mr Wood

Carried

8.6 Timely and Effective Asset Maintenance (Report No: 134/17)

The maintenance of Council's assets can be classified into reactive, planned and specific maintenance. Programs and plans are in place to maintain all classes of Council's assets in a cost effective way, maximising the benefit to the community.

Motion

That the Audit Committee note the contents of this report. The Audit Committee recommends that a further report be brought back to the next meeting of the Audit Committee on:

- **progress of an Exception Report;**
- **the implementation of a structured inspection regime;**
- **Asset Management Framework; and**
- **a post implementation review of Stage 1 of the Asset Management System.**

Moved Mr Tu, Seconded Mr Wood

Carried

9. REPORTS BY MEMBERS - Nil**10. ACTION ITEMS**

The Action Items were tabled and discussed.

11. VERBAL REPORTS BY OFFICERS - Nil**12. URGENT BUSINESS – SUBJECT TO THE LEAVE OF THE MEETING**

Sean Tu asked leave of the meeting to raise the following item under Urgent Business. The meeting agreed to discuss the following:

12.1 Risk Management Framework**Motion**

That the presiding member speak with the internal auditors regarding improvements to Council's Risk Management Framework, and seek reassurance regarding the adequacy of the current framework for Annual Reporting purposes.

If material concerns are raised, the Presiding Officer will report back to Committee members as soon as possible.

Moved Mr Tu, Seconded Mr Wood

Carried

Pam Warburton left the meeting at 8.32 pm

The Presiding Member sought leave of the meeting to raise the following **confidential** item under Urgent Business. The meeting agreed to discuss the following:

Confidential - Glenelg Football Club (verbal up-date)

Motion – Exclusion of the Public – Section 90(3)(d) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Audit Committee hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Glenelg Football Club – verbal update in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Audit Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Glenelg Football Club – verbal update on the following grounds:
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, the Glenelg Football Club as it involves their operations.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
3. The Audit Committee is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.

Moved Mr Wood, Seconded Mr Tu

Carried

Motion

The Audit Committee received and noted the verbal update provided by the Presiding Member concerning the Glenelg Football Club.

Moved Mr Wood, Seconded Mr Tu

Carried

RETAIN IN CONFIDENCE - Section 91(7) Order

That having considered Agenda Item Glenelg Football Club – verbal update in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Audit Committee, pursuant to section 91(7) of that Act orders that the information provided be retained in confidence for a period of 12 months and that this order be reviewed every 12 months.

Moved Mr Wood, Seconded Mr Tu

Carried

13. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit Committee will be held on Wednesday 23 August 2017 in the Mawson Room, Civic Centre, 24 Jetty Road, Brighton.

14. CLOSURE

The Meeting closed at 8.47 pm.

CONFIRMED Wednesday 23 August 2017