

**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 18 February 2015 at 6:30pm.**

**PRESENT**

**Members**

Councillor J Smedley  
Councillor R Snewin  
Ms V Brown  
Mr S Spadavecchia  
Mr J Wood

**Staff**

Chief Executive Officer – Mr J Lynch  
General Manager Corporate Services – Mr I Walker  
Manager Finance – Mr J Newton  
Internal Auditor – Ms L Mirovitskaya  
Manager Finance & Administration Alwyndor Aged Care – Ms P Warburton  
Manager Organisational Sustainability - Ms P Aukett

**1. OPENING**

The Chief Executive Officer, Mr J Lynch declared the meeting open at 6.30pm.

**2. APPOINTMENT OF PRESIDING OFFICER**

**Motion**

**That Councillor Smedley be appointed Presiding Officer for the meeting and be recommended to Council to be appointed Presiding Officer.**

Moved Councillor Snewin, Seconded Ms Brown

**Carried**

**3. APOLOGIES**

- 2.1 Apologies Received - Nil
- 2.2 Absent - Nil

**4. DECLARATION OF INTEREST**

Members were reminded to declare their interest before each item.

**5. CONFIRMATION OF MINUTES****Motion**

**That the minutes of the Audit Committee held on 15 October 2014 be taken as read and confirmed subject to amending the minutes to delete Ms Brown from being present.**

Moved by Mr Wood, Seconded by Ms Brown

**Carried**

**6. PRESENTATION**

Council's Internal Auditor, Ms Mirovitskaya gave a presentation on 'Controltrack'.

**7. QUESTIONS BY MEMBERS**

7.1 **Without Notice** - Nil

7.2 **With Notice** – Nil

**8. MOTIONS ON NOTICE** - Nil**9. ADJOURNED ITEMS** – Nil**10. REPORTS BY OFFICERS**

10.1 **Standing Items – February 2015** (Report No: 32/15)

The Committee is provided with a report on standing items at each scheduled 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**

**That the Audit Committee recommends Council's Whistleblower Policy be reviewed and that staff receive further training.**

**That the Audit Committee receives a report at each meeting on the status of actions arising from the evaluations of internal controls using the Controltrack application.**

Moved Mr S Spadavecchia, Seconded Mr J Wood

**Carried**

10.2 **Mid Year Budget Review – as at 31 December 2014** (Report No: 33/15)

The mid-year review of the 2014/15 budget was performed as at 31 December 2014. It was prepared in accordance with the requirements under the *Local Government (Financial Management) Regulations 2011* and considered by Council at its meeting on 10 February 2015. It is presented for the Audit Committee to review and consider.

**Motion**

**That the Audit Committee advises Council that it has considered the mid-year review of the 2014/15 budget as at 31 December 2014 and notes significant concern in the deteriorating forecast for the year and recommends Council implement strategies to bring it back to a balanced budget to avoid funding operating deficits by additional borrowings.**

Moved Mr Spadavecchia, Seconded Mr Snewin

**Carried**

10.3 **Draft 2015-16 Budget Parameters** (Report No: 34/15)

The draft 2015-16 budget process has commenced. A number of budget parameters have been established to provide the framework for compiling the draft budget. These will enable the formulation of the draft budget and in will in-turn inform the Annual Business Plan. The Audit Committee will receive the draft Annual Business Plan at its next meeting in May 2015 and will have an opportunity to review and provide further advice to Council.

**Motion**

**That the Audit Committee advises Council that it has reviewed the Draft 2015/16 budget parameters and makes the following comments:**

- **It endorses Council's decision not to provide rates concessions to pensioners and self-funded retirees in the event the State Government ceases providing its concession.**
- **Requests that Alwyndor provide its 2015/16 budget parameters at the next Audit Committee meeting and in subsequent years prior to developing the budget.**
- **Recommends Council actively review property that is surplus to requirements or under-utilised.**

- **Strongly endorses the aim of delivering a balanced budget including a modest operating surplus to ensure long-term financial sustainability.**

Moved Ms Brown, Seconded Mr Snewin

**Carried**

10.4 **2014 Annual Report to Council** (Report No: 35/15)

Under its terms of reference the Audit Committee is required to review of its own performance and provide a report to Council including any recommended changes to its terms of reference.

**Motion**

**That the Audit Committee endorses the annual report contained in Attachment 1 to Report 35/15 for presentation to Council.**

Moved Ms Brown, Seconded Mr Wood

**Carried**

10.5 **Internal Audit Update** (Report No: 36/15)

This report provides an update on the progress of recent internal audit recommendations.

**Motion**

**That the Audit Committee advises Council that it has received and considered the Internal Audit Update Report of February 2015.**

**That at its next meeting, the Audit Committee be advised of the status of the recommendations in the Internal Auditor's report on 'Credit Card Transactions Review' and an update on the 3-year Internal Audit Plan.**

**That the Audit Committee receives a report at each meeting on the status of all recommendations made in Internal Audit reports to management.**

Moved Councillor Snewin, Seconded Mr Wood

**Carried**

10.6 **Ombudsman SA Half Yearly Report** (Report No: 37/15)

The Ombudsman SA has provided a report to Council on the number of complaints it has received in relation to administrative and other actions taken by the City of Holdfast Bay in the preceding six months.

In the period 1 July to 31 December 2014 a total of 7 complaints were received by the Ombudsman. Two were declined, one was not substantiated and 4 were referred back to the City of Holdfast Bay for investigation.

**Motion**

**That the Committee advises Council that it has received and considered the Ombudsmans SA half-yearly report 1 July to 31 December 2014.**

Moved Councillor Snewin, Seconded Mr Spadavecchia

**Carried**

10.7 **Work Health & Safety System Update** (Report No: 39/15)

This report provides an update on WHS activity specifically Council's progress of the implementation of the Local Government Association Workers Compensation Scheme (LGAWCS) 'One System' and WorkCover's Performance Standards for self-insured employers.

**Motion**

**That Audit Committee advises Council it has received and considered a report on progress of the implementation of the 'One System' workplace safety system.**

Moved Ms Brown, Seconded Mr Wood

**Carried**

**11. REPORTS BY MEMBERS**

**12. ACTION ITEMS - Nil**

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

**14. DATE AND TIME OF NEXT MEETING**

The next meeting of the Audit Committee will be held on Wednesday 20 May 2015 in the Mawson Room, Civic Centre, 24 Jetty Road, Brighton.

**15. CLOSURE**

The Meeting closed at 8.43 pm.

**CONFIRMED      Tuesday 20 May 2015**