

**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 27 April 2016 at 6:00pm.**

**PRESENT**

**Members**

Chairman – Councillor J Smedley  
Councillor R Snewin – at 6.07pm  
Ms V Brown  
Mr J Wood  
Mr S Spadevecchia

**Staff**

General Manager Business Services – Mr IS Walker  
Manager Finance – Mr J Newton  
Manager Finance & Administration Alwyndor Aged Care – Ms P Warburton  
External Auditor – Mr S Hilbink (BDO)

**1. OPENING**

The Chairman declared the meeting open at 6.00pm.

**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 13 April 2016 be taken as read and confirmed subject to amending point 5 in Item 8.4 – Draft 2016-17 Budget to read as follows:**

**“Recommends that Council ensures that the budgeted operating surpluses be preserved for each of Alwyndor and its Municipal operations during the budget process.”**

Moved by Mr Spadevecchia, Seconded by Mr Wood

**Carried**

**5. QUESTIONS BY MEMBERS - Nil**

**6. MOTIONS ON NOTICE - Nil****7. ADJOURNED ITEMS - Nil****8. REPORTS BY OFFICERS****8.1 Standing Items – April 2016 (Report No: 109/16)**

The Audit 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**

Moved Ms Brown, Seconded Mr Spadevecchia

**Carried**

**Motion**

**That the Audit Committee advises Council it received a presentation from Mr Sam Hilbink from BDO that outlined the proposed audit plan for year ended 30 June 2016.**

Moved Mr Spadevecchia, Seconded Mr Wood

**Carried**

**8.2 Budget Update – as at 31 March 2016 (Report No: 108/16)**

This report covers the third update of Council's 2015/16 budget conducted as at 31 March 2016.

For Municipal funds it has resulted in a forecast operating surplus of \$317,648, a decrease in forecast capital expenditure of \$884,866 and a net decrease in forecast borrowing requirements of \$282,514. The proposed year-end operating forecast is \$648,863 surplus. The surplus result is primarily due to revised forecast savings in legal appeals of \$100,000 and waste management \$150,000. For capital projects the Tarlton Street drainage project has been reduced by \$1.2m as grant funding has been unsuccessful, while increased funding of \$200,000 is required to complete the Marina East Boardwalk project. Increased property sale income for Portland Street of \$310,000 has been budgeted for. For Alwyndor operations offsetting grants and user charges have resulted in no change to operations.

**Motion**

1. That the Audit Committee advises Council it has considered and noted the third 2015/16 budget update for Council's municipal operations including:
  - (a) an improvement of \$317,648 in the forecast operating result from a surplus of \$331,215 to a surplus of \$648,863 (compared to an operating surplus of \$124,671 in the original budget);
  - (b) a decrease in the forecast capital expenditure of \$884,866 from \$27.714 million to \$26.829 million (compared with \$22.616 million in the original budget);
  - (c) a decrease in the forecast capital revenue of \$890,000 from \$7.795 million to \$6.905 million (compared with \$8.128 million in the original budget);
  - (d) a decrease in forecast net financial liabilities of \$282,514 at 30 June 2016 from \$26.801 million to \$26.518 million (compared to a net financial liabilities amount of \$27.484 million in the original budget).
  
2. That the Audit Committee advises Council it has considered and noted the third 2015/16 budget update for Alwyndor operations including:
  - (a) an unchanged projected operating surplus for 2015/16 of \$362,455 (compared to an operating surplus of \$341,455 in the original budget);
  - (b) forecast capital expenditure for 2015/16 \$367,077 (unchanged from the original budget);
  - (c) an unchanged forecast capital revenue of \$77,500 (compared with nil in the original budget);
  - (d) an unchanged forecast funding surplus for 2015/16 of \$885,501 (compared with \$787,001 in the original budget).

Moved Ms Brown, Seconded Mr Wood

**Carried**

9. **REPORTS BY MEMBERS - Nil**
10. **ACTION ITEMS - Nil**
11. **VERBAL REPORTS BY OFFICERS - Nil**

**12. URGENT BUSINESS – SUBJECT TO THE LEAVE OF THE MEETING****12.1 Glenelg Football Club****Motion**

**That Business Services report back to the Committee at the next meeting with:**

- 1. findings from the internal review of the management of the Glenelg Football Club lease and loan facilities;**
- 2. recommendations (including officers responsible and target completion dates) to support improvements to the processes and associated internal controls; and**
- 3. actions required to update Controltrack to address any future con-compliance issues for all lessee obligations and commitments.**

Moved Mr Spadavecchia, Seconded Ms Brown

**Carried**

**12.2 Next Meeting****Motion**

**That the Committee not meet on 11 May 2016 as scheduled.**

Moved Councillor Snewin, Seconded Mr Spadevecchia

**Carried**

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

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

**14. CLOSURE**

The Meeting closed at 7.26 pm.

**CONFIRMED      Wednesday 24 August 2016**