

**Minutes of the meeting of the Audit Committee of the City of Holdfast Bay held in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton on Wednesday 29 August 2018 at 6:30pm.**

**PRESENT**

**Members**

Presiding Member – Councillor J Smedley  
Mr J Wood  
Mr S Spadavecchia  
Mr S Tu

**Staff**

General Manager Business Services – Mr R Bria  
General Manager City Assets – Mr H Lacy  
Manager Finance – Mr J Newton  
Asset Accountant – Mr C Blunt  
Chief Financial Officer – Ms N Andjelkovic

**Guest**

Ms D Han – Bentleys (Internal Auditor) – left after item 6.2.

**1. OPENING**

The Chairman declared the meeting open at 6:30 pm.

**2. APOLOGIES**

2.1 Apologies Received - Councillor S Charlick

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 6 June 2018 be taken as read and confirmed.**

Moved by Mr Wood, Seconded by Mr Spadavecchia

**Carried**

## 5. ACTION ITEMS

The Action Items were tabled and discussed.

## 6. REPORTS BY OFFICERS

### 6.1 Standing Items – August 2018 (Report No: 297/18)

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 Wood, Seconded Mr Tu

**Carried**

### 6.2 2017-18 Audit Committee Self Assessment (Report No: 296/18)

The Audit Committee's Terms of Reference state that the Committee shall at least once a year, review its own performance to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to Council for consideration. A self-assessment questionnaire was distributed to all Committee Members and Council Staff who regularly attend Audit Committee meetings.

This report provides results of the self-assessment undertaken by the Audit Committee regarding its performance over the previous twelve months

#### Motion

**That the 2017-18 self-assessment of the Audit Committee be noted.**

Moved Mr Tu, Seconded Mr Spadavecchia

**Carried**

6.3 **Revaluation of Open Space Assets and Coastal Assets as at 30 June 2018** (Report No: 299/18)

For the financial year ending 30 June 2018 a full valuation is being carried out of Council's Open Space and Coastal assets. The valuation includes the application of capitalisation thresholds, revaluation of recently completed large projects and the transfer of a number of car parks to a different class of assets. The valuation outcomes will be sent out under separate cover to Audit Committee members as soon as they are received.

**Motion**

**That the Audit Committee advises Council that it has received and noted the report from Jones Lang LaSalle on the revaluation of Open Space and Coastal assets.**

Moved Mr Tu, Seconded Mr Wood

**Carried**

The meeting agreed to consider Item 6.4 Brighton Oval Complex – Redevelopment in confidence.

The meeting agreed to consider Item 9 Confidential Items at this time.

**9. CONFIDENTIAL ITEMS**

9.1 **Loan Receivables** (Report No: 298/18)

**Motion**

**Recommendation – 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 Staff in attendance at the meeting in order to consider Report No: 298/18 Loan Receivables 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 Report No: 298/18 Loan Receivables 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, as this would prejudice the commercial position who supplied the information.**

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

**RETAIN IN CONFIDENCE - Section 91(7) Order**

- 4.. That having considered Agenda Item 14.1 Loan Receivables (Report No: 298/18) 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 report, attachments and minutes be retained in confidence for a period of six months and the Chief Executive Officer is authorised to release the documents when the Audited Financial Statements are presented to Council.

Moved Mr Spadavecchia, Seconded Mr Tu

Carried

6.4 **Brighton Oval Complex – Redevelopment** (Report No: 304/18)

**Recommendation – 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 Staff in attendance at the meeting in order to consider Report No: 304/18 Brighton Oval Complex - Redevelopment 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 Report No: 304/18 Brighton Oval Complex - Redevelopment 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, as this would prejudice the commercial position who supplied the information.

**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**

Brighton Oval Complex – Redevelopment (Report No: 304/18)

At its meeting on 14 August 2018 Council resolved the following in regards to the Brighton Oval Sporting Complex Redevelopment:

*“That the background papers supporting the motion, together with all other supporting documentation including the internal/external correspondence, budgets, cash flow forecasts, feasibility statements and memos concerning the recommendation that the Managing Contractor model be adopted as the prudent option, and a copy of the subsequent tender documents be presented to Audit Committee for review and comment.”*

Attached to this report are the key documents that have been sourced for review and comment.

#### **Motion**

- 1. That the Audit Committee note the report.**
- 2. That the Audit Committee acknowledge the receipt of Attachment 6 (Council Report No: 294/18 – Brighton Oval Complex – Redevelopment Contract Report).**
- 3. That the Audit Committee request a further special meeting within three weeks to further consider the report.**

**RETAIN IN CONFIDENCE - Section 91(7) Order**

4. That having considered Agenda Item 6.4 Brighton Oval Complex – Redevelopment (Report No: 304/18) Attachments 5 and 6 to Report No: 304/18 – Brighton Oval Redevelopment in confidence under section 83(5) of the Local Government Act 1999, the Council, pursuant to section 91(7) of the Act orders that Attachment 5 and 6 be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.

Moved Mr Wood, Seconded Mr Tu

**Carried**

7. **2018-19 FORWARD PROGRAM**

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

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

The next meeting of the Audit Committee will be held on Wednesday 17 October 2018 in the Mawson Room, Civic Centre, 24 Jetty Road, Brighton.

11. **CLOSURE**

The Meeting closed at 8:50 pm.

**CONFIRMED      Wednesday 17 October 2018**

**CHAIRMAN**