

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 Monday 8 April 2019 at 6:00pm.

PRESENT

Members

Presiding Member – Councillor J Smedley
Councillor R Snewin
Mr S Spadavecchia
Mr S Tu
Ms P Davies

Staff

A/Chief Executive Officer – Mr R Bria
A/General Manager Business Services – Ms P Jackson
Manager Finance – Mr J Newton
Financial Accountant Alwyndor – Ms Amy Klenk
A/General Manager Alwyndor – Mr B Capes

1. OPENING

The Presiding Member 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 6 February 2019 be taken as read and confirmed.

Moved by Councillor Snewin, Seconded by Mr Spadavecchia

Carried

5. ACTION ITEMS

The Action Items were tabled and discussed.

6. REPORTS BY OFFICERS

6.1 Standing Items – April 2019 (Report No: 135/19)

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**
- **Audit Committee Meeting Schedule for 2019**

Moved Mr Tu, Seconded Councillor Snewin

Carried

6.2 Draft 2019-20 Annual Business Plan (Report No: 136/19)

The draft 2019-20 budget was presented to Council at workshops on 5 March and 2 April 2019. It was developed on the assumptions and parameters discussed at a Council workshop held on 5 February 2019. The draft budget satisfies Council's financial sustainability and performance measures.

Pursuant to its term of reference, the Audit Committee has an opportunity to review the assumptions, parameters and outcomes providing comments to Council in relation to the draft budget and associated Annual Business Plan.

Motion

1. **That the Audit Committee support the draft 2019-20 Annual Business Plan, as presented, for presentation to Council for the purpose of public consultation.**
2. **That a Long Term Financial Plan for Alwyndor be brought back to the Committee for review**

Moved Ms Davies, Seconded Mr Spadavecchia

Carried

7. CONFIDENTIAL ITEMS**7.1 External Auditor Appointment (Report No: 137/19)****Recommendation – Exclusion of the Public – Section 90(3)(b) Order**

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council 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 Report No: 137/19 – External Auditor Appointment in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 137/19 on the following grounds:
 - b. pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is

conducting business; or
proposing to conduct business; or
would prejudice the commercial position of the Council

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.

Moved Mr Spadavecchia, Seconded Mr Tu

Carried

RETAIN IN CONFIDENCE – Section 91(7) Order

That having considered Agenda Item 7.1 External Auditor Appointment in confidence under section 990(2) and (3)(b) of the *Local Government Act 1999*, the Audit Committee, pursuant to section 91(7) of that Act orders that the report, attachments be retained in confidence for a period of 24 months.

Moved Ms Davies, Seconded Councillor Snewin

Carried

The external auditor contract with BDO Audit (SA) Pty Ltd concludes on 30 June 2019 with an option to extend for 2 years from 1 July 2019. This report assesses the BDO request to take up the option for a two year extension together with a change of engagement partner in accordance with legislation.

It is recommended that BDO be extended until the completion of the 2019/20 financial year audit and then a tender is called for external audit services for post financial year.

Motion

1. **That the Audit Committee recommends that Council accepts the option to extend the provision of external audit services to BDO Audit (SA) Pty Ltd for a period effective from 1 July 2019 until the completion of the 2019/20 financial year audit.**
2. **That the external audit services be put to tender and an external auditor appointed prior to the commencement of the work required for the 2020/21 financial year.**

Moved by Mr Spadavecchia, Seconded by Mr Tu

Carried

8. AUDIT COMMITTEE FORWARD AGENDA

9. 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 5 June 2019 in the Mawson Room, Civic Centre, 24 Jetty Road, Brighton.

11. CLOSURE

The Meeting closed at 7.11 pm.

CONFIRMED Wednesday 5 June 2019

PRESIDING MEMBER