

Minutes of the meeting of the Audit and Risk Committee of the City of Holdfast Bay held in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton on Wednesday 18 October 2023 at 4.00pm.

PRESENT

Members

Presiding Member – Councillor J Smedley
Ms P Davies (from 4.15pm)
Ms C Garrett
Mr D Powell

Staff

Chief Executive Officer – Mr R Bria
General Manager Strategy and Corporate – Ms S Wachtel
Manager Finance – Mr C Blunt
Manager Strategy and Governance – Ms A Karzek
Manager Finance Alwyndor – Mr R Mirzaev
Management Accountant Lead – Ms R Childs

Guests

Ms Samantha Creten, Partner, Dean Newbery
Ms Whitney Sandow, Dean Newbery

1. OPENING

The Chairman declared the meeting open at 4.00pm.

2. KAURNA ACKNOWLEDGEMENT

We acknowledge Kurna people as the traditional owners and custodians of this land.

We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kurna People today.

3. APOLOGIES

- 3.1 Apologies Received - Councillor R Snewin
- 3.2 Absent

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 and Risk Committee held on 16 August 2023 be taken as read and confirmed.

Moved by D Powell, Seconded by C Garrett

Carried

6. ACTION ITEMS

The Action Items were tabled and discussed.

7. PRESENTATIONS - Nil

8. REPORTS BY OFFICERS

8.1 Standing Items (Report No: 334/23)

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

Motion

That the Audit and Risk Committee advises Council it has received and considered a Standing Items Report addressing:

- **Monthly Financial Statements**
- **External Audit**
- **Public Interest Disclosures**
- **Economy and Efficiency Audits**
- **Council Recommendations**
- **Audit and Risk Committee meeting schedule**

Moved D Powell, Seconded C Garrett

Carried

8.2 Internal Audit Program Report (Report No: 333/23)

The risk-based audits scheduled for the Internal Audit Program 2023-24 have now commenced, with the program attached to this report for further information.

In addition, the 'Audit Recommendations Outstanding Actions Update' is attached in three parts, highlighting those actions that are either completed, in progress or not yet implemented.

Motion

- 1. That the Audit and Risk Committee notes this report.**

RETAIN IN CONFIDENCE - Section 91(7) Order

- 2. That having considered Agenda Item 8.2 Internal Audit Program Report (Report No: 333/23) in confidence under section 90(2) and (3)(e) of the *Local Government Act 1999*, the Audit and Risk Committee, pursuant to section 91(7) of that Act orders that Attachment 2b be retained in confidence until the Chief Executive Officer is satisfied that the information no longer poses security**

concerns, at which point the documents can be released, and that this order be reviewed every 12 months.

Moved D Powell, Seconded C Garrett

Carried

8.3 2022-23 General Purpose Financial Statements (Report No: 335/23)

The financial statements for the year ended 30 June 2023 have been completed and audited by Council's audit firm, Dean Newbery, who have indicated that an unqualified audit opinion will be provided and that there are no material issues arising from the audit. They are presented to the Audit and Risk Committee for review.

P Davies joined the meeting at 4.15pm

Motion

That the Audit and Risk Committee informs Council it has reviewed the General Purpose Financial Reports for the year ending 30 June 2023, as required under Section 126(4)(a) of the *Local Government Act 1999*, and found them to present fairly the state of affairs of the Council as required under the *Local Government (Financial Management) Regulations 2011*.

Moved C Garrett, Seconded D Powell

Carried

8.4 2022-23 Draft Annual Report (Report No: 331/23)

Council's Annual Report is a legislative requirement under Section 131 of the *Local Government Act 1999*. The information contained within the publication provides legislators and the community with assurance that the City of Holdfast Bay is meeting its strategic and governance requirements. The publication also provides a detailed overview of the Council's services and achievements during the year.

The 2022-23 Annual Report has been prepared to meet all statutory requirements. The report shows that Council has continued to deliver quality and improved services and facilities to its community.

Motion

That the Audit and Risk Committee recommends Council adopts the 2022-23 Annual Report, which appears as Attachment 1 to this report, subject to design and minor alterations and the inclusion of the audited financial statements.

Moved C Garrett, Seconded D Powell

Carried

8.5 Long-Term Financial Plan 2023 - 2033 (Report No: 332/23)

The Long-Term Financial Plan (LTFP) was developed on the assumptions and parameters discussed at Council workshops held during the year and following public consultation in May and June 2023 on Council's Annual Business Plan. The Audit and Risk Committee received updates on the development of the LTFP at its meetings on 15 March 2023 and 7 June 2023.

A completed LTFP document covering the financial years 2023-24 to 2032-33 is presented to the Audit and Risk Committee for further comment and support, noting that it satisfies Council's financial sustainability and performance measures.

Motion

That the Audit and Risk Committee advises Council it has received and noted the revised Long-Term Financial Plan.

Moved C Garrett, Seconded P Davies

Carried

8.6 Risk Report (Report No: 336/23)

A review of the Strategic Risk Register and high operational risks was undertaken in line with ISO31000 (2018), to ensure an accurate reflection of the current risk management position across the business, scoping both business risks and opportunities.

Motion

That the Audit and Risk Committee notes this report.

Moved D Powell, Seconded P Davies

Carried

8.7 End of Financial Year Debtors (Report No: 337/23)

This report provided the Audit and Risk Committee with an annual update in relation to outstanding balances in Rates Debtors and Sundry Debtors in line with end of year financial statements.

Motion

That the Audit and Risk Committee notes this report.

Moved C Garrett, Seconded P Davies

Carried

8.8 Terms of Reference Review (Report No: 338/23)

The *Local Government Act 1999* requires Council to have an Audit and Risk Committee to carry out the functions as defined in Section 126. Pursuant to Section 41 of the Act, Council established an Audit Committee in 2007. This was redesignated as the Audit and Risk Committee in 2022.

The Local Government Reform process has scheduled mandatory changes to the Terms of Reference and Audit and Risk Committee functions. These changes are now due for implementation and provide an opportunity for review.

Provided are both the current Terms of Reference (Attachment 1) and the draft revised Terms of Reference (Attachment 2), outlining suggested updates and changes.

Motion

That the Audit and Risk Committee advises Council it has reviewed the amended Terms of Reference, as provided in Attachment 2, and recommends them for adoption by Council, with the inclusion to allow for electronic attendance at meetings.

Moved D Powell, Seconded C Garrett

Carried

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

10. CONFIDENTIAL ITEMS - Nil

11. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit and Risk Committee will be held on Wednesday 15 November 2023 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

12. CLOSURE

The Meeting closed at 5.16pm.

CONFIRMED 15 November 2023

PRESIDING MEMBER