

**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 2 June 2021 at 6:00pm.**

**PRESENT**

**Members**

Presiding Member – Councillor J Smedley  
Mr D Powell  
Mr S Tu  
Ms P Davies

**Staff**

Chief Executive Officer – Mr R Bria  
Manager Financial Services – Mr J Newton  
Manager, Strategy and Governance – Ms A Karzek

**1. OPENING**

The Chairman declared the meeting open at 6.04pm.

**2. APOLOGIES**

- 2.1 Apologies Received- Councillor R Snewin
- 2.2 Absent

**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 21 April 2021 be taken as read and confirmed.**

Moved by Mr Powell, Seconded by Ms Davies

**Carried**

**5. ACTION ITEMS**

The Action Items were tabled and discussed.

**6. PRESENTATIONS**

- 6.1 **Annual Business Plan – Consultation Feedback**

## 7. REPORTS BY OFFICERS

### Leave of the Meeting

Mr Powell sought leave of the meeting to propose that Item 7.1 Standing Items – June 2021 (Report No: 162/21) be heard in confidence.

Leave of the meeting was granted.

#### 7.1 Standing Items – June 2021 (Report No: 162/21)

##### Motion – Exclusion of the Public – Section 90(3)(e) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* the Audit Committee 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: 162/21 Standing Items – June 2021.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* the Audit Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 162/21 Standing Items – June 2021 on the following grounds:
  - e. pursuant to Section 90(3)(e) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is related to matters affecting the security of the Council.
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 Powell, Seconded Mr Tu

Carried

The Audit Committee was provided with a report on standing items at the ordinary meeting.

##### Motion

1. That the Audit Committee advises Council it has received and considered a Standing Items Report addressing:
  - Monthly financial statements
  - Risk Management and Internal control
  - Audit – External/Internal
  - Public Interest Disclosures – previously Whistle-Blowing
  - Economy and efficiency audits
  - Audit Committee Meeting Schedule and Membership

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

2. **That having considered Agenda Item 7.1 Standing Items – June 2021 in confidence under Section 90(2) and (3)(e) of the *Local Government Act 1999*, the Audit Committee, pursuant to section 91(7) of that Act orders that Attachment 3 be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.**

Moved Mr Tu, Seconded Mr Powell

**Carried**

**7.2 Draft Rating and Assets Accounting Policies (Report No: 163/21)**

Council has in place a Rating Policy which is updated annually as part of the rate declaration process. The policy was in a document format that is inconsistent with other Council policies and requires reformatting. As part of the exercise it was considered timely to include a rate declaration section and expand the payment of rates, debt recovery and rebate sections.

An Asset Accounting Policy also had to be drafted. This was in response to a recommendation from the internal audit review of financial controls reported to the Audit Committee (245/20). The Policy included all relevant assumptions in regards to asset capitalisation, disposal and depreciation.

Endorsement was sought from the Audit Committee prior to the policies being submitted to Council for approval.

**Motion**

**That the Audit Committee advises Council:**

1. **it has received and reviewed the draft Rating and Asset Accounting Policies; and**
2. **it supports the draft Rating and Asset Accounting Policies for subsequent policy adoption by Council.**

Moved Mr Tu, Seconded Ms Davies

**Carried**

**7.3 Risk Management Framework - Review (Report No: 187/21)**

The Risk Management Framework, Policy and Procedure were endorsed by the Audit Committee on 31 January 2018 and by Council on 13 March 2018. The Risk Consequence Scale and Descriptions table (consequence table) in the Risk Management Framework was subsequently adjusted by the Audit Committee on 5 June 2019 and was reviewed again in April 2021.

Following comments received at the April 2021 meeting of the Audit Committee, both the Risk Matrix and consequence table have been amended further.

The proposed amendments were provided for endorsement by the Audit Committee.

**Motion**

**That the Audit Committee:**

- 1. endorses the amended Risk Matrix to be updated in the Risk Management Framework; and**
- 2. endorses the amended Consequence Scale and Descriptions table to be updated in the Risk Management Framework.**

Moved Mr Tu, Seconded Ms Davies

**Carried**

**7.4 Risk Report (Report No: 170/21)**

The City of Holdfast Bay (Council) needed to ensure that it has appropriate risk management in place. In accordance with Council's Risk Management Framework, Governance manages the Strategic and Operational Risk Registers.

As required under the Risk Management Framework, all strategic risks regardless of rating are reported to the Audit Committee, as are all Extreme and High operational risks.

This quarter, both registers were reviewed, resulting in a shift in Council's risk profile.

Future reports will consider risk forecasting.

**Motion**

**That the Audit Committee notes this report.**

Moved Mr Tu, Seconded Mr Powell

**Carried**

**7.5 Customer Feedback and Complaints Policy Review (Report No: 186/21)**

Council's Customer Feedback and Complaints Policy (the Policy) was reviewed and presented to the Audit Committee for adoption.

The Policy was primarily focused on establishing a commitment in accepting and resolving complaints within the City of Holdfast Bay and a culture which encourages and values feedback from our community.

This Policy was reviewed substantially, therefore a copy of the current version of the policy and the proposed revised Policy are attached. This Policy was not required to undertake public consultation.

**Motion**

**That the Audit Committee recommends to Council the Customer Feedback and Complaints Policy as amended for approval.**

Moved Mr Tu, Seconded Mr Powell

**Carried**

**Leave of the Meeting**

The Presiding Member sought leave of the meeting to propose that Item 8.1 Draft 2021-22 Annual Business Plan and Budget (Report No: 194/21) be considered under Item 8 Urgent Business – Subject to Leave of the Meeting.

Leave of the meeting was granted.

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

**8.1 Draft 2021-22 Annual Business Plan and Budget (Report No: 194/21)**

The draft 2021-22 Annual Business Plan and Budget was developed on the assumptions and parameters discussed at Council workshops held in March and April 2021. The draft budget satisfies Council's financial sustainability and performance measures.

The Audit Committee at its meeting on 21 April 2021, received, considered and supported the draft 2021-22 Annual Business Plan for public consultation. Subsequent to this meeting on 27 April 2021 Council made three amendments and approved its Draft 2021-22 Annual Business Plan and Budget for public consultation.

Council considered the consultation outcomes at a workshop on 1 June 2021 and received a formal report covering the outcomes on 8 June 2021 where the submissions will be received.

The draft 2021/22 Annual Business Plan and Budget and its proposed changes was presented to Audit Committee for their comment and support that it satisfies Council's financial sustainability and performance measures.

**Motion**

**That the Audit Committee note that the draft 2021-22 Annual Business Plan and Budget satisfies Council's financial sustainability and performance measures and support its presentation to Council for adoption.**

Moved Ms Davies, Seconded Mr Tu

**Carried**

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

The next meeting of the Audit Committee will be held on Wednesday 18 August 2021 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

**10. CLOSURE**

The Meeting closed at 7.13 pm.

**CONFIRMED      18 August 2021**

**PRESIDING MEMBER**