

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 19 October 2022 at 6:00pm.

PRESENT

Members

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

Staff

Chief Executive Officer –R Bria
General Manager Strategy and Corporate –P Jackson
General Manager Alwyndor – B Davidson-Park
Manager Finance – J Newton
Management Accountant – C Blunt
Manager Finance, Alwydor– D Capurro

Guests

Ms Samantha Creten, Partner, Dean Newbery

1. OPENING

The Chairman declared the meeting open at 6.00pm.

2. APOLOGIES

- 2.1 Apologies Received
- 2.2 Absent - Councillor R Snewin (Leave of Absence)

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 17 August 2022 be taken as read and confirmed.

Moved by S Tu, Seconded by P Davies

Carried

5. ACTION ITEMS

The Action Items were tabled and discussed.

6. PRESENTATIONS

6.1 Nil

Leave of meeting

The Presiding Member sought leave of the meeting to propose that Agenda Item 7.4 2021/22 General Purpose Financial Statements (Report No: 423/22) be considered after Item 6.

Leave of the meeting was granted.

7. REPORTS BY OFFICERS

7.4 **2021/22 General Purpose Financial Statements** (Report No: 423/22)

The financial statements for the year ended 30 June 2022 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 Committee for review.

Motion

That the Audit Committee informs Council it has reviewed the General Purpose Financial Reports for the year ending 30 June 2022, 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 S Tu, Seconded D Powell

Carried

D Powell joined the meeting at 6.05pm.

7.1 **Standing Items** (Report No: 420/22)

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

Motion

That the Audit 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 Committee Meeting Schedule**

Moved P Davies, Seconded D Powell

Carried

7.2 Internal Audit Program Report (Report No: 421/22)

Of the four risk-based audits scheduled for the Internal Audit Program 2022-23, the first, Flood Mitigation has commenced and the second, Complaints Handling, is currently undergoing a final revision of the audit scope.

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

Motion

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

RETAIN IN CONFIDENCE - Section 91(7) Order

2. **That having considered Agenda Item 7.2 (Report No: 421/22 Internal Audit Program Report) 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 order that the Attachment 2 be retained in confidence for a period of 12 months and that this order be reviewed every 12 months.**

Moved P Davies, Seconded D Powell

Carried

7.3 Risk Report (Report No: 422/22)

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.

The environmental scan, used to identify new and emerging areas relating to both risk and opportunity, has also been updated and is included in this Risk Report.

Motion

That the Audit Committee notes this report.

Moved D Powell, Seconded S Tu

Carried

Agenda Item 7.4 2021/22 General Purpose Financial Statements (Report No: 423/22) was considered after Item 6 as per leave of the meeting granted.

7.5 2021/22 Annual Report (Report No: 424/22)

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 2021/22 Annual Report has been prepared to meet all statutory requirements. The report shows that Council has continued to deliver quality services and facilities to its community.

Motion

That the Committee recommends that Council adopts the 2021/22 Annual Report subject to design and minor alterations and the inclusion of the audited financial statements.

Moved S Tu, Seconded P Davies

Carried

7.6 Terms of Reference - Review (Report No: 425/22)

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

The Local Government Reform process, which has been undertaken over several years will result in mandatory changes to the terms of reference and functions of audit committees. Relevant reforms are not scheduled to commence until late in 2023, however, under the current Audit Committee Terms of Reference, the Committee is required to at least once per year, review its own performance, terms of reference and provide a report to Council including any recommended changes.

A light review has been undertaken and suggested changes are marked in Attachment 2.

Motion

That the Audit Committee endorses the amended Terms of Reference, as provided in Attachment 2 for adoption by Council.

Moved S Tu, Seconded P Davies

Carried

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

9. CONFIDENTIAL ITEMS

10. DATE AND TIME OF NEXT MEETING

The date of the next meeting of the Audit Committee is to be confirmed by the new Council.

11. CLOSURE

The Meeting closed at 6.27pm.

CONFIRMED

PRESIDING MEMBER