

**Minutes of the meeting of the Audit Committee of the City of Holdfast Bay held in the Mawson Room, Civic Centre, 24 Jetty Road, Brighton on Wednesday 20 August 2014 at 6:30pm.**

**PRESENT**

**Members**

Chairman – Councillor TD Looker  
Councillor A Roe  
Ms V Brown  
Mr J Wood

**Staff**

General Manager Corporate Services - IS Walker  
Manager Finance – Mr J Newton  
Internal Auditor – Ms L Mirovitskaya  
Manager Finance & Administration Alwyndor Aged Care – Ms P Warburton

**1. OPENING**

The Chairman declared the meeting open at 6.30pm.

**2. APOLOGIES**

2.1 Apologies Received - Mr A Neville

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 21 May 2014 be taken as read and confirmed.**

Moved by Councillor Roe, Seconded by Ms Brown

**Carried**

**5. PRESENTATIONS**

5.1 Mr Stevie Sanders (WHS Manager, LGA Workers Compensation Scheme) gave a presentation on the Scheme the One System and recent Workcover evaluation.

**6. QUESTIONS BY MEMBERS**

- 6.1 **Without Notice** - Nil  
6.2 **With Notice** - Nil

**7. MOTIONS ON NOTICE** - Nil**8. ADJOURNED ITEMS** - Nil**9. REPORTS BY OFFICERS****9.1 Standing Items – July 2014** (Report No: 264/14)

The Committee is provided with a report on standing items at each scheduled 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**
- **Whistle blowing**
- **Internal audit**
- **Economy and efficiency audits**

Moved Councillor Roe, Seconded Mr Wood

**Carried**

**9.2 Review of Governance of Alwyndor** (Report No: 231/14)

Council recently engaged a consultant to review the governance arrangements in place for Alwyndor. The review found that the existing governance structures were generally appropriate however they were not being fully utilised to full potential, giving rise to various weaknesses.

**Motion**

**That the Audit Committee advises Council that it has received and considered a report on Council's governance arrangements for Alwyndor Aged Care facility and requests further report on risks and their treatment.**

Moved Ms Brown, Seconded Mr Wood

**Carried**

9.3 **2014-15 Annual Business Plan and Budget** (Report No: 266/14)

Council adopted the 2014-15 Annual Business Plan and Budget on 24 June 2014. This report advises the Audit Committee of the amendments subsequent to the Draft Annual Business Plan previously considered by the Audit Committee and presents the final document for the information of the Committee.

**Motion**

**That the Audit Committee notes the adopted 2014-15 Annual Business Plan and Budget.**

Moved Mr Wood, Seconded Councillor Roe

**Carried**

9.4 **Preliminary 2013/14 Funding Statements** (Report No: 265/14)

This report provides preliminary funding statements for the 2013/14 financial year including explanations of the interim results and major budget variations.

The interim result for municipal operations shows an increase of \$750,000 in the operating deficit. This has been largely affected by ceasing of the prepayment arrangement of the Financial Assistance Grant resulting in a budget timing variance of \$547,253. Other major municipal fund variances from that forecast include the timing of stormwater grant funds \$120,000, final year-end salaries employee leave provision increases above budget \$74,770, and overall increase in final water service and usage charges \$247,045. Further details of major variances by resource are contained within this report.

The interim result for Alwyndor operations shows a net increase of \$778,880 in operating costs resulting in a \$409,664 operating deficit. Major budget variances have occurred in user charges, grants and employment costs which reflect the unpredictable nature and demand for the packages offered and additional accreditation costs. The level of government funding and user pay income is also based on the client's income and needs.

**Motion**

**That the Audit Committee advises Council it has received and considered a report on the preliminary 2013/14 funding statements and notes it discussed the report including major variances between forecast and preliminary actuals, and was satisfied with explanations.**

Moved Mr Wood, Seconded Councillor Roe

**Carried**

9.5 **National General Assembly of Local Government, Canberra, June 2014** (Report No: 261/14)

At its meeting on 22 July 2014, Council received a report from Deputy Mayor, Councillor Patterson on the National General Assembly of Local Government – National Convention Centre, held in Canberra during June 2014.

**Motion**

**That the Audit Committee advises Council that it received and considered the report from Councillor Patterson on the 2014 National General Assembly of Local Government**

Moved Ms Brown, Seconded Councillor Roe

**Carried**

9.6 **Children and Vulnerable Persons Safe Environment Policy** (Report No: 271/14)

The City of Holdfast Bay has a moral and legal responsibility to ensure that all children and vulnerable persons are safe in their care. Council has developed a policy to support this commitment, which is expected to be considered by Council in September. It is provided to the Audit Committee for review and comment.

**Motion**

**That the Audit Committee advises Council that it has received, considered and provided comments on a draft Children and Vulnerable Persons Safe Environment Policy.**

Moved Councillor Roe, Seconded Mr Wood

**Carried**

9.7 **Internal Audit Update** (Report No: 272/14)

This report presents a new Internal Audit Charter, Three Year Internal Audit Plan (2014-17) and Program (2014-17). This report also provides an update on the progress of recent internal audit projects undertaken.

**Motion**

**That the Audit Committee advises Council that it has received and considered the Internal Audit Update Report of August 2014 and expressed its concern in relation to the procurement matters.**

Moved Ms Brown, Seconded Mr Wood

**Carried**

9.8 **Risk Management Update – August 2014** (Report No: 28/14)

The City of Holdfast Bay is working with the Local Government Mutual Liability Scheme to develop and implement a risk management framework across the City. This framework is expected to be completed in December 2014, with implementation and training scheduled for early 2015.

**Motion**

**That the Audit Committee endorses the program of review and development of a City of Holdfast Bay Risk Management Framework as proposed in this report.**

Moved Councillor Roe, Seconded Ms Brown

**Carried**

9. **REPORTS BY MEMBERS**

10. **ACTION ITEMS**

The Action Items were tabled and discussed.

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

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

The next meeting of the Audit Committee will be held on Wednesday 15 October 2014 in the Mawson Room, Civic Centre, 24 Jetty Road, Brighton.

13. **CLOSURE**

The Meeting closed at 8.03pm.

**CONFIRMED      Wednesday, 15 October 2014**