

**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 21 May 2014 at 6:30pm.**

**PRESENT**

**Members**

Chairman – Councillor TD Looker  
Councillor A Roe  
Ms V Brown  
Mr A Neville

**Staff**

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

**1. OPENING**

The Chairman declared the meeting open at 6.30 pm.

**2. APOLOGIES**

2.1 Apologies Received - Mr J Wood

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 19 February 2014 be taken as read and confirmed.**

Moved by Councillor Roe, Seconded by Ms Brown

**Carried**

**5. PRESENTATIONS**

5.1 Mr Victor de Maria (Mutual Liability Scheme Risk Manager) gave a presentation on:

- the Local Government Mutual Liability Scheme
- its risk management review process
- Council's risk management review for 2013
- the Scheme's risk servicing plan.

5.2 Mr Sam Hilbink from BDO presented the Audit Plan for the year ending 30 June 2014 including:

- audit approach
- key risk areas
- audit timetable.

## 6. QUESTIONS BY MEMBERS

6.1 **Without Notice** - Nil

6.2 **With Notice** - Nil

## 7. MOTIONS ON NOTICE

7.1 **Motion on Notice – Minute Taking in Audit Committee – Councillor Looker** (Report No: 131/14)

### **Background**

Local Government meeting regulations prescribe simple minutes that record decisions in the form of resolutions. The regulations do not preclude more detailed minutes although in practice recording of conversations would be difficult.

Over the life of the Audit Committee the matter of what is recorded in the minutes has been discussed as members have the view that the role of the committee is such that more detailed minutes would enable Council and the community to more fully understand the wide ranging nature of its work, currently not fully reflected in resolutions.

Recording of discussions through a separate resolution has proved unwieldy and a simpler dot point noting of discussion points would better capture the breadth of the Audit Committee deliberations.

### **Motion**

**That commencing the May 2014 meeting of the Audit Committee, the minutes include for each agenda item, a succinct dot point list of the issues discussed to better reflect and record the depth of the committee deliberations. That this be reviewed in 12 months.**

Moved Councillor Looker

**Lapsed for want of a seconder**

**8. ADJOURNED ITEMS****9. REPORTS BY MEMBERS****9.1 Standing Items – May 2014** (Report No: 129/14)**Background**

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 Mr Neville, Seconded Councillor Roe

**Carried**

**9.2 Budget Update – as at 31 March 2014** (Report No: 127/14)**Background**

The third budget update of the 2013/14 budget was performed as at 31 March 2014. It was prepared in accordance with the requirements under the Local Government (Financial Management) Regulations 2011. It was considered and adopted by Council at its meeting on 13 May 2014 and is presented for the Audit Committee to review and consider.

**Motion**

**That the Audit Committee advises Council that it has considered the third budget update of the 2013/14 budget as at 31 March 2014 and:**

- **notes the increased in operating deficit over the year as a result of a decline in revenue from ticket machines and parking fines as well as additional backlog maintenance at the caravan park;**
- **notes the increase in the net financial liabilities ratio above Council's current ceiling of 35% and recommends to Council that it review its net financial liabilities ratio.**

- **notes that Council's interest cover ratio at 2% remains below the 5% maximum.**

Moved Mr Neville, Seconded Ms Brown

**Carried**

9.3 **Draft 2014-15 Annual Business Plan** (Report No: 128/14)

**Background**

Council considered its draft 2014-15 Annual Business Plan and Budget on 22 April 2014 and released it for community consultation. Pursuant to its term of reference, the Audit Committee has an opportunity and responsibility to review and provide advice to Council in relation to its Annual Business Plan.

**Motion**

**That the Audit Committee advise Council that it has reviewed the Draft 2014/15 Annual Business Plan and Budget and makes the following comments:**

- **notes the proposed 3.8% rate revenue increase;**
- **notes the proposed balanced operating result;**
- **notes the quality of life survey results;**
- **recommends the standardisation method of the quality of life survey and number of respondents be included;**
- **notes the peak net financial liabilities ratio expected in 2015/16; and**
- **recommends Council implement strategies to ensure its net financial liabilities ratio is effectively managed.**

Moved Ms Brown, Seconded Mr Neville

**Carried**

9.4 **Internal Audit Update** (Report No: 134/14)

**Background**

This report provides an update on the progress of recent internal audit recommendations.

**Motion**

**That the Audit Committee advises Council that it has received and considered the Internal Audit Update Report of May 2014 and notes that management is satisfied with corrective action arising from the review.**

Moved Mr Neville, Seconded Councillor Roe

**Carried**

**9.5 Work Health and Safety Update – May 2014 (Report No: 144/14)****Background**

The February 2014 WHS System Update Audit Report provided the Audit Committee a progress update of the Local Government Association Workers Compensation Scheme (LGAWCS) 'One System' implementation. It also advised that the City of Holdfast Bay was selected by WorkCover as the only metropolitan Council to be evaluated against WorkCover's Performance Standards for self-insured employers.

This provides a further update on the One System Implementation and an outline of the LGAWCS Partnership evaluation commencing on 19 May 2014.

**Motion**

**That Audit Committee advises Council it has received and considered a report on progress of the implementation of the 'One System' for WHS and the scope of the Local Government Association (LGA) Self-insurance Evaluation commencing 19 May 2014.**

Moved Mr Neville, Seconded Ms Brown

**Carried**

**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 20 August 2014 in the Mawson Room, Civic Centre, 24 Jetty Road, Brighton.

**13. CLOSURE**

The Meeting closed at 8.57pm.

**CONFIRMED      Wednesday 20 August 2014**