

ITEM NUMBER: 14.3

CONFIDENTIAL REPORT

MINUTES – AUDIT COMMITTEE MEETING – 23 JULY 2020 (Report No: 221/20)

Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:

- b. Information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.
- c. information the disclosure of which would reveal a trade secret.
- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.
- k. tenders for the supply of goods, the provision of services or the carrying out of works.

Recommendation – Exclusion of the Public – Section 90(3)(b)(c)(d)(k) Order

1. That pursuant to Section 90(2) of the *Local Government Act 1999* Council 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: 221/20 Minutes - Audit Committee Meeting – 23 July 2020 in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 221/20 Minutes – Audit Committee Meeting – 23 July 2020 on the following grounds:
 - b. pursuant to section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest.
 - c. pursuant to section 90(3)(c) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which would reveal a trade secret.
 - d. pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would in balance be contrary to the public interest.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.
 - k. pursuant to section 90(3)(k) of the Act, the information to be received, discussed or considered in relation to this Agenda Item are tenders for the supply of goods, the provision of services or the carrying out of works.

3. **The Council 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.**
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CONFIDENTIAL

Item No: 14.3

Subject: MINUTES - AUDIT COMMITTEE MEETING – 23 JULY 2020

Date: 11 August 2020

Written By: Personal Assistant – Strategy and Business Services

General Manager: Strategy and Business Services, Ms P Jackson

SUMMARY

The confidential minutes of the meeting of the Audit Committee held 23 July 2020 are presented to Council for information and endorsement.

RECOMMENDATION

1. That Council notes the confidential minutes of the meeting Audit Committee of 23 July 2020 namely:
 - (a) That the Audit Committee recommend to Council the appointment of Dean Newberry as the External Auditor until the completion of the 2024/25 Financial Statements.
 - (b) That the Audit Committee has received and noted Alwyndor's Long Term Financial Plan.
 - (c) That the Audit Committee supported the commencement of a review of investment options for Alwyndor with the intention of amending the City of Holdfast Bay Treasury Management Policy to support Alwyndor's future investment options.
2. That Council approves the appointment of Dean Newberry as the External Auditor until the completion of the 2024/25 Financial Statements.

RETAIN IN CONFIDENCE - Section 91(7) Order

3. That having considered Agenda Item 14.3 Minutes – Audit Committee Meeting - 23 July 2020 - Report No 221/20 in confidence under section 90(2) and (3)(b)(c)(d) &(k) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the report, attachments and minutes (with the exception of resolution 1(c) and 2 which can be released when the contract for services has been finalised) be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.
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COMMUNITY PLAN

A Place that Provides Value for Money

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Local Government Act 1999, Sections 41 and 126

BACKGROUND

The Audit Committee is established under Section 41 of the *Local Government Act 1999*, and Section 126 of the *Local Government Act 1999* defines the functions of the Audit Committee to include:

- reviewing annual financial statements to ensure that they present fairly the state of affairs of the council;
- proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan;
- proposing, and reviewing, the exercise of powers under section 130 A;
- if the council has exempted a subsidiary from the requirement to have an audit committee, the functions that would, apart from the exemption, have been performed by the subsidiary's audit committee;
- liaising with the council's auditor; and
- reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.

REPORT

Confidential minutes of the meeting of the Audit Committee held on 23 July 2020 are attached for Members' information.

BUDGET

Not Applicable

Attachment 1

Confidential Minutes of the Audit Committee of the City of Holdfast Bay held via Electronic means in a Virtual Waiting Room on Thursday 23 July 2020.

9. ITEMS IN CONFIDENCE

9.1 External Audit Services (Report No: 205/20)

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

- 1. That pursuant to Section 90(2) of the Local Government Act 1999 Council 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: 205/20 External Audit Services in confidence.**
- 2. That in accordance with Section 90(3) of the Local Government Act 1999 Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 205/20 External Audit Services on the following grounds:**
 - k. pursuant to Section 90(3)(k) of the Act, the information to be received, discussed or considered in relation to this Agenda Item are tenders for the provision of external audit services.**

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

Moved Ms Davies, Seconded Mr Tu

Carried

Conflict of Interest

Councillor Snewin declared a perceived conflict of interest for Item 9.1 – External Audit Services. The nature of the perceived conflict of interest (pursuant to Section 75 of the *Local Government Act 1999*) is that he is a friend of a Partner at Dean Newberry.

Councillor Snewin dealt with the perceived conflict of interest by making it known and leaving the meeting at 6.47pm.

The term of Councils External Auditor BDO expires with the completion of the 2019/20 financial statements. A select tender process has been undertaken to provide external audit services for a further five years. The outcomes of the tender responses and panel evaluations were provided for the Audit Committee to review.

Motion

1. That Audit Committee recommend to Council that the appointment of Dean Newbury as the External Auditor until the completion of the 2024/25 Financial Statements.

RETAIN IN CONFIDENCE - Section 91(7) Order

2. That having considered Agenda Item 9.1 External Audit Services – Report No 205/20 in confidence under section 90(2) and (3)(k) of the Local Government Act 1999, this order is subject to Section 91(7) of the Act orders that the report, attachments and minutes be retained in confidence until the contract for services has been finalised.

Moved Ms Davies, Seconded Mr Tu

Carried

9.2 **Alwyndor Long Term Financial Plan (Report No: 206/20)**

Motion – Exclusion of the Public – Section 90(3)(b)(c) &(d) Order

1. That pursuant to Section 90(2) of the Local Government Act 1999 Council 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: 206/20 - Alwyndor Long Term Financial Plan in confidence.
2. That in accordance with Section 90(3) of the Local Government Act 1999 Council is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 206/20 - Alwyndor Long Term Financial Plan on the following grounds:
 - b. pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business or proposing to conduct business.
 - c. pursuant to Section 90(3)(c) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which would reveal a trade secret.
 - d. pursuant to Section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person

who supplied the information or to confer a commercial advantage on a third party.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

Moved Ms Davies , Seconded Mr Tu

Carried

The Long Term Financial Plan (LTFP) was endorsed by the Alwyndor Management Committee (AMC) on 16 April 2020. The LTFP has been updated since that meeting to reflect the current forecast for the 2019/20 financial year.

The projections in the LTFP indicate that Alwyndor will operate in a deficit for 2020/21, funded by historic accumulated surpluses, and operate at a profit from 2021/22 onwards.

Motion

1. That the Audit Committee advises Council it has received and noted Alwyndor's Long Term Financial Plan.

RETAIN IN CONFIDENCE - Section 91(7) Order

2. That having considered Agenda Item 9.2 Alwyndor Long Term Financial Plan – Report No 206/20 in confidence under Section 90(2) and (3)(b)(c) & (d) of the Local Government Act 1999, the Council, pursuant to section 91(7) of that Act orders that the report, attachments and minutes be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.

Moved Ms Davies, Seconded Mr Spadavecchia

Carried

9.3 **Review of Investment Options – Alwyndor (Report No: 207/20)**

Motion – Exclusion of the Public – Section 90(3)(b)(d) Order

1. That pursuant to Section 90(2) of the Local Government Act 1999 Council 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: 207/20 - Review of Investment Options - Alwyndor in confidence.
2. That in accordance with Section 90(3) of the Local Government Act 1999 Council is satisfied that it is necessary that the public be excluded to

consider the information contained in Report No: 207/20- Review of Investment Options - Alwyndor on the following grounds:

- b. pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business or proposing to conduct business.
- d. pursuant to Section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

Moved Ms Davies, Seconded Mr Spadavecchia

Carried

Alwyndor is required to invest in accordance with the City of Holdfast Bay Treasury Management Policy. The Alwyndor Management Committee (AMC) have expressed their desire for Alwyndor to expand its investment options to stay competitive in the Aged Care industry which would require an exemption from the City of Holdfast Bay Treasury Management Policy.

Motion

1. The Audit Committee endorse the commencement of a review of investment options for Alwyndor with the intention of amending the City of Holdfast Bay Treasury Management Policy to support Alwyndor's future investment options.

RETAIN IN CONFIDENCE - Section 91(7) Order

2. That having considered Agenda Item 9.3 Review of Investment Options - Alwyndor – Report No 207/20 in confidence under section 90(2) and (3)(b)(d) of the Local Government Act 1999, the Council, pursuant to section 91(7) of that Act orders that the report, attachments and minutes be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.

Moved Mr Tu, Seconded Mr Spadavecchia

Carried

CONFIRMED 27 August 2020

PRESIDING MEMBER