

**Minutes of the meeting of the Audit and Risk Committee of the City of Holdfast Bay held in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton on Wednesday 12 June 2024 at 6:00pm.**

**PRESENT**

**Members**

Presiding Member – Councillor J Smedley  
Councillor R Snewin  
Ms P Davies  
Ms C Garrett  
Mr D Powell

**Staff**

Chief Executive Officer – Mr R Bria  
A/General Manager Strategy and Corporate – Ms S Wachtel  
Manager Finance – Mr C Blunt  
Manager Strategy and Governance – Ms A Karzek

**Guests**

Ms Janna Burnham, Partner, Galpins  
Ms Danika Brown, Analyst (Internal Audit), Galpins

**1. OPENING**

The Chairman declared the meeting open at 6.00pm.

**2. KAURNA ACKNOWLEDGEMENT**

We acknowledge Kurna people as the traditional owners and custodians of this land.

We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kurna People today.

**3. APOLOGIES**

- 3.1 Apologies Received
- 3.2 Absent

**4. DECLARATION OF INTEREST**

Members were reminded to declare their interest before each item.

**5. CONFIRMATION OF MINUTES****Motion**

**That the minutes of the Audit and Risk Committee held on 15 April 2024 be taken as read and confirmed.**

Moved by D Powell, Seconded by C Garrett

**Carried**

**6. ACTION ITEMS**

Nil

**7. PRESENTATIONS**

7.1 Nil

**8. REPORTS BY OFFICERS****8.1 Standing Items (Report No: 173/24)**

The Audit and Risk Committee is provided with a report on standing items at each ordinary meeting.

**Motion**

**That the Audit and Risk 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 and Risk Committee meeting schedule.**

Moved D Powell, Seconded C Garrett

**Carried**

**8.2 Internal Audit Program Report (Report No: 168/24)**

The Internal Audit Program for 2023-24 is well underway and a report regarding each audit was provided.

In addition, the 'Audit Recommendations Outstanding Actions Update' was attached in three parts, highlighting those actions that are either completed, in progress or not yet implemented.

**Motion****That the Audit and Risk Committee notes this report.**

Moved C Garrett, Seconded P Davies

**Carried****8.3 Risk Report – June 2024 (Report No: 169/24)**

A review of the Strategic Risk Register and high operational risks was undertaken in line with Council's Risk Management Policy and ISO31000 (2018), to ensure an accurate reflection of the current risk position across the business, scoping both business risks and opportunities.

**Motion****That the Audit and Risk Committee notes this report.**

Moved D Powell, Seconded C Garrett

**Carried****8.4 Draft 2024-25 Annual Business Plan and Long Term Financial Plan 2023-34 Community Engagement Results (Report No: 183/24)**

At its meeting on 23 April 2024, Council resolved to release the Draft 2024-25 Annual Business Plan and the Long Term Financial Plan 2024-34 for consultation. The consultation period for both plans was from 24 April to 17 May 2024.

The Draft 2024-25 Annual Business Plan included the strategically and financially significant project to transform Jetty Road Glenelg. The Project's Prudential Report had identified funding as a key risk (specifically, that Council required a funding model to fund the project) and recommended community engagement on a funding mechanism.

Historically, response rates to Annual Business Plan consultations are low. Given this, a statistically reliable survey was commissioned from Intuito Market Research, to ensure Council had additional information regarding community sentiment about the project and, specifically, the funding model being proposed. The survey was undertaken between 24 April and 17 May 2024, during the consultation period.

While the survey returned high levels of support for the project and more support than not for the funding model, the consultation feedback raised a range of concerns about debt levels, who should pay and Council's ongoing sustainability. In response to these concerns, an independent review was commissioned from Galpins (Accountants, Auditors and Business Consultants). This review (which is provided as an attachment herein) confirmed the underlying assumptions as being appropriate and found that there is no threat to Council's sustainability from the proposed funding model.

A workshop was held on 4 June 2024, at which the results of the consultation and survey were provided to the Elected Members and Council will be considering this consultation feedback on 11 June 2024. Outcomes from that

Council meeting will be provided to the Audit and Risk Committee meeting on 12 June 2024. This report provides information for the Committee to consider the 2023-24 Annual Business Plan and Budget and Long Term Financial Plan 2024-34 to see if this satisfies Council's financial sustainability and performance measures.

The final 2024-25 Annual Business Plan is scheduled to be provided for Council consideration at its meeting on 25 June 2024.

### **Motion**

**That the Audit and Risk Committee:**

- 1. notes the results of the consultation and recommended responses related to the Draft 2024-25 Annual Business Plan and draft Long Term Financial Plan 2024-34 including the feedback on the Transforming Jetty Road Project and funding model; and**
- 2. notes the following adjustments made to the draft 2024-25 budget, which will be included in the updated 2024-25 Annual Business Plan and Budget to be presented to Council for adoption.**

**For Municipal Operations:**

- Rate growth from newly created and developed properties has increased from 0.5% to 0.95%.**
- The operating surplus has increased from \$958,677 to \$1,192,677.**
- The operating surplus ratio has increased from 1.7% to 2.1%.**
- The requirement for new borrowings has reduced from \$11.095 million to \$10.909 million.**

**For Alwyndor Operations:**

- The operating surplus has decreased from \$617,490 to \$577,088.**
  - The operating surplus ratio has decreased from 1.3% to 1.2%.**
  - The net financial ratio has decreased from 37% to 36%.**
  - The asset sustainability ratio has decreased from 72% to 70%.**
- 3. notes that the Draft 2024-25 Annual Business Plan and Budget and Long Term Financial Plan 2024-34 satisfies Council's financial sustainability and performance measures and supports its presentation to Council for adoption.**

Moved C Garrett, Seconded D Powell

**Carried**

## **8.5 Annual Business Continuity Report (Report No: 170/24)**

This report provides an annual review of the business continuity management undertaken at the City of Holdfast Bay.

The purpose of business continuity planning is to formalise the commitment to business continuity management and to ensure critical services to the community are resumed as soon as possible in the event of a disruptive incident, crisis or emergency.

Business Continuity Planning, as per the international standard *ISO 22301:2012 Societal Security Business Continuity Management Systems – requirements and guidance*, reflects excellence in governance and is an important component of the broader risk management program.

**Motion**

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

Moved D Powell, Seconded C Garrett

**Carried**

**8.6 Financial Hardship Policy and Procedure, and Rates Policy (Report No: 172/24)**

Council has maintained a Financial Hardship Policy for a number of years, the provisions of which have historically had limited up-take.

However, uncommon macro-economic conditions are creating cost pressures, which in turn have the potential to create financial challenges even in affluent suburbs. In response to potentially increasing financial challenges faced by some members of our community at this time, a revised Financial Hardship Policy and an Organisational Financial Hardship Procedure have been prepared. These documents aim to provide practical support and relief to those experiencing financial or personal difficulties.

The existing Rating Policy, which is updated annually as part of the rate declaration process, has also been amended to align with the new approved policy template format.

**Motion**

**That the Audit and Risk Committee:**

**1. supports the:**

- **Council Financial Hardship Policy (Attachment 2)**
- **Council Rating Policy (Attachment 4)**

**to be considered by Council for adoption; and**

**2. notes the organisational Financial Hardship Procedure (Attachment 3).**

Moved P Davies, Seconded C Garrett

**Carried**

8.7 **2023-24 Audit and Risk Committee Annual Report to Council** (Report No: 171/24)

Following changes to the *Local Government Act 1999*, section 126(9) of the Act now requires the Audit and Risk Committee to provide an annual report to Council, providing an overview of the business undertaken during the previous twelve months.

This annual report is required to be included in the Council's Annual Report for the relevant financial year.

**Motion**

**That the Audit and Risk Committee endorses this report as an accurate representation of its activities over the 2023-24 financial year, for presentation to Council and inclusion in Council's Annual Report for that period.**

Moved P Davies, Seconded D Powell

**Carried**

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

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

The next meeting of the Audit and Risk Committee will be held on Wednesday 14 August 2024 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

12. **CLOSURE**

The Meeting closed at 7.27pm.

**CONFIRMED 14 August 2024**

**PRESIDING MEMBER**