

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 14 August 2024 at 6:00pm.

PRESENT

Members

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

Staff

Chief Executive Officer – Mr R Bria
General Manager Strategy and Corporate – Ms S Wachtel
General Manager Alwyndor – Ms B Davidson-Park
Manager Finance – Mr C Blunt
Manager Strategy and Governance – Ms A Karzek
Manager Finance Alwyndor – Mr R Mirzaev

Guests

Ms Janna Burnham, Partner, 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 - Nil

3.2 Absent -Nil

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 12 June 2024 be taken as read and confirmed.

Moved by D Powell, Seconded by P Davies

Carried

6. ACTION ITEMS

The Action Items were tabled and noted.

7. PRESENTATIONS - Nil

8. REPORTS BY OFFICERS

8.1 Standing Items (Report No: 233/24)

The Audit and Risk Committee was 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 No: 234/24)

The risk-based audits scheduled for the Internal Audit Program 2023-24 have now been completed. The first two reports were presented to the Audit and Risk Committee at its meeting of 12 June 2024 and the final two reports were provided for members' information.

In addition, the 'Audit Recommendations Outstanding Actions Update' highlighted those actions that are either completed, in progress or not yet implemented.

Motion

That the Audit and Risk Committee notes this report.

Moved P Davies, Seconded C Garrett

Carried

Leave of the Meeting

The Presiding Member with the approval of two-thirds of the members present sought leave of the meeting to propose that Agenda Item 10.3 **Internal Auditors Annual Reflection** be considered after Item 8.2.

Leave of the meeting was granted.

10.3 Internal Auditors Annual Reflection

Internal Auditors Galpin provided an annual reflection to the Audit and Risk Committee members.

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

1. That pursuant to Section 90(2) of the *Local Government Act 1999* the Audit and Risk Committee hereby orders that the public be excluded from attendance at this meeting in order to consider Item 10.3 – Internal Auditors Annual Reflection discussion in confidence.
2. That in accordance with Section 90(3) of the *Local Government Act 1999* Audit and Risk Committee is satisfied that it is necessary that the public be excluded to consider the information discussed in confidence 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/s with whom the Council is proposing to conduct business and would prejudice the commercial position of the Council by revealing the commercial details that may advantage third parties whom council is proposing to engage.

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.

3. The Audit and Risk Committee 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.

Moved D Powell, Seconded P Davies

Carried

8.3 Annual Risk Profile (Report No: 235/24)

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 P Davies

Carried

8.4 Draft Asset Management Plans (Report No: 276/24)

The Local Government Act (1999) requires Council to review its Asset Management Plans (AMPs) prior to November 2024.

The Asset Management Plans have been reviewed and updated to include the latest asset condition and inventory data for community consultation in line with legislative requirements. The Asset Management Strategy will also be distributed for consultation as it is a new organisational document.

This report discussed the development and findings in the draft Asset Management Plans seeking endorsement for public consultation.

Motion

That the Audit and Risk Committee:

- 1. supports the draft Asset Management Plans and draft Asset Management Strategy for consideration by Council for community consultation from 29 August to 19 September 2024; and**
- 2. notes a further report be provided to the Audit and Risk Committee and Council once community consultation has occurred and prior to Council's adoption of the Asset Management Plans.**

Moved D Powell, Seconded Councillor Snewin

Carried

8.5 Annual Review of Investment Performance (Report No: 236/24)

Section 140 of the *Local Government Act 1999* (the Act) requires Council to review the performance of its investments on an annual basis. This report explained the process for investing funds, amount of funds invested during 2023-24 and investment performance against budget for Council's municipal activities.

Motion

That the Audit and Risk Committee receives and notes this report comprising a performance review of 2023-24 municipal investments, as required under section 140 of the Local Government Act 1999 and recommends it to Council for noting.

Moved P Davies, Seconded C Garrett

Carried

8.6 Municipal Insurance Renewal and Claims (Report No: 237/24)

This report provided the Audit and Risk Committee with an overview of the annual insurance renewal for 2024-25 and the public liability and asset claims for 2023-24.

Motion

That the Audit and Risk Committee notes this report.

Moved P Davies, Seconded C Garrett

Carried

8.7 Revaluation of Road and Kerbing Assets as at 1 July 2023 (Report No: 238/24)

To update the Audit and Risk Committee on the outcome of the 2023-24 desktop Asset Revaluation for Council's Road and Kerb assets.

Motion

That the Audit and Risk Committee advises Council it has received and noted the report from Private Public Property on the revaluation of the 2023-24 Road and Kerb assets.

Moved D Powell, Seconded Councillor Snewin

Carried

8.8 Audit and Risk Committee Self-Review Assessment (Report No: 245/47)

The Audit and Risk Committee's Terms of Reference state that the Committee shall at least once a year, review its own performance to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to Council for consideration. A self-review assessment questionnaire was distributed to all Committee Members and council staff who regularly attend Audit and Risk Committee meetings.

This report provided the results of the self-review assessment undertaken by the Committee regarding its performance for the 2023-24 period.

Motion

That the Audit and Risk Committee notes the 2023-24 self-review assessment.

Moved P Davies, Seconded D Powell

Carried

9. URGENT BUSINESS – SUBJECT TO THE LEAVE OF THE MEETING - Nil**10. CONFIDENTIAL ITEMS****10.1 Loans Receivable (Report No: 243/24)****Motion – Exclusion of the Public (section 90(3)(d) Order**

- 1. That pursuant to section 90(2) of the *Local Government Act 1999* the Audit and Risk Committee 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: 243/24 Loan Receivables in confidence.**
- 2. That in accordance with section 90(3) of the *Local Government Act 1999* the Audit and Risk Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 243/24 Loan Receivables on the following grounds:**

- 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.

3. The Audit and Risk Committee 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.

Moved D Powell, Seconded P Davies

Carried

RETAIN IN CONFIDENCE - Section 91(7) Order

4. That having considered Agenda Item 10.1 Loan Receivables in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Audit and Risk Committee, pursuant to section 91(7) of that Act orders that the report, attachments and minutes be retained in confidence for a period of six months and the Chief Executive Officer is authorised to release the documents when Audited Financial Statements are presented to Council.

Moved C Garrett, Seconded D Powell

Carried

- 10.2 **Alwyndor Investment Portfolio – Annual Review of Investment Performance**
(Report No: 256/24)

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

1. That pursuant to section 90(2) of the *Local Government Act 1999* the Audit and Risk Committee 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: 256/24 Alwyndor Investment Portfolio in confidence.

2. That in accordance with section 90(3) of the Local Government Act 1999 the Audit and Risk Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 256/24 Alwyndor Investment Portfolio on the following grounds:

- 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 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.

3. The Audit and Risk Committee 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.

Moved D Powell, Seconded P Davies

Carried

This report concerns the performance of Alwyndor's investments portfolio in 2023-24.

The Local Government Act requires councils to review the performance of their investments annually. This includes Alwyndor.

Motion

1. That the Audit and Risk Committee receives and notes this report regarding the performance of Alwyndor's 2023-24 investments, as required under section 140 of the *Local Government Act 1999* and recommends it to Council for noting.

RETAIN IN CONFIDENCE - Section 91(7) Order

2. That having considered Agenda Item 10.2 - Alwyndor Investment Portfolio Performance in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Audit and Risk Committee, pursuant to section 91(7) of that Act orders that the report, attachments and be retained in confidence for a period of 12 months and that this order be reviewed every 12 months.

Moved C Garrett, Seconded P Davies **Carried**

11. DATE AND TIME OF NEXT MEETING

The next meeting of the Audit and Risk Committee will be held on Wednesday 16 October 2024 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

12. CLOSURE

The Meeting closed at 7.52 pm.

CONFIRMED 16 October 2024

PRESIDING MEMBER