

## **AUDIT & GOVERNANCE COMMITTEE**

Minutes of the Audit and Governance Committee Meeting  
held on Tuesday 13 October 2015, at 4:00pm  
at the Unley Civic Centre - 181 Unley Road Unley

### **PRESENT:**

Mr John Rawson (Presiding Member)  
Mr Sean Tu (Independent Member) – arrived 4:03pm  
Councillor Michael Rabbitt  
Councillor Rob Sangster

### **OFFICERS PRESENT**

Mr Peter Tsokas, Chief Executive Officer  
Mr Stephen Faulkner, General Manager Corporate Services  
Mr Mike Carey, Manager Finance and ICT  
Ms Ruth Box, Executive Assistant to GM Corporate Services

### **GUEST**

Mr Geoff Edwards – Partner Audit, BDO  
Mr Sam Hilbink – Manager Audit, BDO

### **REPORT TO COUNCIL:**

26 October 2015

### **APOLOGIES**

Mr Ed Parker (Independent Member).

### **CONFLICT OF INTEREST**

Nil

### **BUSINESS ADJOURNED**

Nil

## **DEPUTATIONS / PRESENTATIONS**

Nil

## **CONFIRMATION OF MINUTES**

MOVED Michael Rabbitt  
SECONDED Rob Sangster

That the minutes of the Audit and Governance Committee meeting, held on Tuesday 2 June 2015, as printed and circulated be taken as read and signed as a correct record.

**CARRIED UNANIMOUSLY**

## **ITEM 20** **2014-15 GENERAL PURPOSE FINANCIAL STATEMENTS**

MOVED Michael Rabbitt  
SECONDED Rob Sangster

That:

1. The report be received.
2. The Audit and Governance Committee:
  - a) Having reviewed the City of Unley's General Purpose Financial Statements for 2014-15, contained in Attachment 1 and External Auditor BDO's Annual Audit Completion Report contained in Attachment 2, considers that the General Purpose Financial Statements present fairly the state of affairs of Council and can be presented to Council for noting on 26 October 2015.
  - b) Considers that the City of Unley's General Purpose Financial Statements for 2014-15, contained in Attachment 1, can be certified by the Chief Executive Officer and the Mayor.
  - c) Notes the draft Certification of Auditor Independence proposed by BDO as contained in Attachment 2 and considers that Council's Certification of Auditor Independence contained in Attachment 3 can be certified by the Chief Executive Officer and the Presiding Member of the Audit and Governance Committee.
  - d) Notes the Centennial Park General Purpose Financial Statements for 2014-15, signed by Centennial Park's External Auditor, contained in Attachment 4.

## **SUSPENSION OF MEETING PROCEDURES**

The Presiding Member advised members that he thought the meeting would benefit from a suspension of meeting procedures for up to 20 minutes to discuss this item.

This was agreed with a two thirds majority.  
Meeting procedures were suspended at 4:04pm.

## **FURTHER SUSPENSION OF MEETING PROCEDURES**

The Presiding Member advised members that he thought the meeting would benefit from a further suspension of meeting procedures for up to 10 minutes to discuss this item.

This was agreed with a two thirds majority.  
Meeting procedures were suspended at 4:24pm.

The Manager Finance & ICT highlighted that the following corrections in Attachment 1 - *The General Purpose Financial Statements* will be completed:

- page 22 (Note 7b – Infrastructure) the name of the Valuer: *Internal Council valuation* will be replaced with 'Pavement Management Services', and
- Page 41 (Note 21 – 1.Land Under Roads) the *figures* relating to the kilometre of road reserves (167.2k) and average width of road (12m) will be added.

## **FURTHER SUSPENSION OF MEETING PROCEDURES**

The Presiding Member advised members that he thought the meeting would benefit from a further suspension of meeting procedures for up to 20 minutes to discuss this item.

This was agreed with a two thirds majority.  
Meeting procedures were suspended at 4:34pm.

The Presiding Member asked staff to leave the meeting at 4:38pm to facilitate a private discussion with the Committee Members and the Auditors.

Staff were recalled to the meeting at 4:53pm.

Meeting procedures resumed at 4.54pm.

**CARRIED UNANIMOUSLY**

Auditors Mr Geoff Edwards and Mr Sam Hilbink left the meeting at 4.55pm.

**ITEM 21**  
**DRAFT LONG TERM FINANCIAL PLAN 2015-16 TO 2024-25**

MOVED Sean Tu  
SECONDED Michael Rabbitt

That:

1. The report be received.
2. Comments from the Audit and Governance Committee relating to the Draft Long Term Financial Plan be noted.
3. The Draft Long Term Financial Plan 2015-16 to 2024-25 (Attachment 1 to report 22/15) be endorsed.
4. The following financial indicators of the Long Term Financial Plan be adopted:
  - an Operating Surplus Ratio of the greater of 3% or 100% of principal repayments
  - the Net Financial Liabilities Ratio does not exceed 80% of the Total Operating Revenue
  - the Asset Sustainability Ratio target of a 100% average over a 10 year period be calculated using both infrastructure and asset management plan required expenditure and annual depreciation expense.

**SUSPENSION OF MEETING PROCEDURES**

The Presiding Member advised members that he thought the meeting would benefit from a suspension of meeting procedures for up to 20 minutes to discuss this item.

This was agreed unanimously.  
Meeting procedures were suspended at 4:56pm.

Meeting procedures resumed at 5:14pm.

**CARRIED UNANIMOUSLY**

**ITEM 22**  
**AUDIT AND GOVERNANCE WORKPLAN 2016**

MOVED: Rob Sangster  
SECONDED: Sean Tu

That:

1. The report be received.
2. The Work Plan is endorsed by the Audit and Governance Committee.

**CARRIED UNANIMOUSLY**

Rob Sangster left the meeting at 5.35pm.

**OTHER BUSINESS**

A Presentation 'Audit and Governance Committee - Strategic Efficiency and Effectiveness Review' was given by Mr Stephen Faulkner, GM Corporate Services.

It is noted that the Committee would like to view the submitted proposals, advice will be sought as to whether these can be supplied to the Committee and provision of the documentation will be dependent on the outcome.

A special meeting in November has been suggested for the purpose of hearing up to three supplier presentations in relation to the Strategic Efficiency and Effectiveness Review.

**CLOSURE**

The Presiding Member closed at 5.55pm.

**PROPOSED AGENDA ITEMS FOR NEXT MEETING**

Work plan as endorsed.

**MEETING DATES**

Special Meeting in November – date to be set.

2016 meeting calendar yet to be finalised.

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**PRESIDING MEMBER**

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**DATE**